

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**



12027913

**AMENDMENT NO.1
TO
REGULATION A OFFERING STATEMENT
UNDER THE SECURITIES ACT OF 1933**

FA/A

Received SEC

SEP 21 2012

Washington, DC 20549

SONASOFT CORP.
(Exact name of issuer as specified in its charter)

California

(State or other jurisdiction of
incorporation or organization)

7372

(Primary Standard Industrial
Classification Code Number)

51-0439372

(I.R.S. Employer Identification Number)

**2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131
408-708-4000**

(Address, including zip code, and telephone number, including area code, of issuer's principal executive offices)

**Nand (Andy) Khanna
President and Chief Executive Officer
2150 Trade Zone Blvd, Suite 203,
San Jose, CA 95131
(408) 927-6200**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications, including communications sent to agent for service, should be sent to:

**Gregg E. Jaclin, Esq.
Anslow & Jaclin LLP
195 Route 9 South, Suite 204
Manalapan, New Jersey 07726
Tel No.: (732) 409-1212
Fax No.: (732) 577-1188**

**THIS OFFERING STATEMENT SHALL ONLY BE QUALIFIED UPON ORDER OF THE COMMISSION,
UNLESS A SUBSEQUENT AMENDMENT IS FILED INDICATING THE INTENTION TO BECOME
QUALIFIED BY OPERATION OF THE TERMS OF REGULATION A.**

PART I – NOTIFICATION

ITEM 1. Significant Parties

Issuer's Directors

Name	Business Address
Dr. Romesh K. Japra, M.D., F.A.C.C. (Chairman)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Nand (Andy) Khanna	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Romi Randhawa	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131

Issuer's Officers

Name	Business Address
Nand (Andy) Khanna (President, CEO)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Bilal Ahmed (Chief Technology Officer & VP of Engineering)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Neil Kumar Khanna (VP of Client Services & Operations)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Subhash Sachdeva (Interim CFO)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Jim Gilmer (Secretary)	2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131

* W. Patrick Kelley Sr. (Secretary & General Counsel & Director) resigned from all of his positions on July 25, 2012, and the Board of Directors subsequently accepted his resignation.

Issuer's General Partners

Not Applicable

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding our shares of common stock beneficially owned as of August 6, 2012, for (i) each stockholder known to be the beneficial owner of 5% or more of our outstanding shares of common stock, (ii) each named executive officer and director, and (iii) all executive officers and directors as a group. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class (1)
Andy Khanna President, CEO, Director	6,700,000	8.26%
Dr. Romesh K. Japra, M.D., F.A.C.C. Chairman of the Board	6,250,000	7.7%
Romi Randhawa Director	6,980,889 (2)	8.61%
Bilal Ahmed Chief Technology Officer & VP of Engineering	0	0%
Neil Kumar Khanna Vice President of Operations	1,725,000	2.13%
Jim Gilmer Secretary	275,000	.34%
Subhash Sachdeva Interim CFO	0	0%
Joseph Rapp & Ana Rapp	6,721,667	8.3%*
Garrett Rajkovich	4,220,000	5.2%

(1) The percent of class is based on 81,141,999 shares of common stock issued and outstanding as of August 6, 2012.

(2) Includes shares that Mr. Randhawa beneficially owns.

Promoters of the Issuer

The term promoter includes: i) Any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issuer; or ii) Any person who, in connection with the founding and organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, 10 percent or more of any class of securities of the issuer or 10 percent or more of the proceeds from the sale of any class of such securities. However, a person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this paragraph if such person does not otherwise take part in founding and organizing the enterprise.

- To the best of our knowledge, we do not have any promoters as that term is defined in the Securities Act of 1933.

Affiliates of the Issuer

An affiliate of, or person affiliated with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

- To the best of our knowledge, we do not have any affiliates as that term is defined in the Securities Act of 1933.

Counsel to the Issuer With Respect to the Proposed Offering

Gregg E. Jaclin, Esq.
Anslow & Jaclin LLP
195 Route 9 South, Suite 204
Manalapan, New Jersey 07726
Tel No.: (732) 409-1212
Fax No.: (732) 577-1188

Underwriters With Respect to the Proposed Offering

The term "underwriter" means any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; but such term shall not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission. As used in this paragraph the term "issuer" shall include, in addition to an issuer, any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

- There will be no underwriters in connection with this proposed offering. This is a direct participation offering since our officers and directors, and not an underwriter, are offering the stock under and exemption from the broker requirements available under the securities laws.

Underwriter's Directors

Not Applicable

Underwriter's Officers

Not Applicable

Underwriter's General Partners

Not Applicable

Counsel to the Underwriter

Not Applicable

ITEM 2. Application of Rule 262

To the best of our knowledge, the issuer and any of its predecessors or any affiliated issuer:

- Has not filed a registration statement which is the subject of any pending proceeding or examination under section 8 of the Act, or has been the subject of any refusal order or stop order thereunder within 5 years prior to the filing of the offering statement required by rule 252;
- is not subject to any pending proceeding under Rule 258 of the Securities Act of 1934, as amended (the "Securities Act") or any similar section adopted under section 3(b) of the Securities Act, or to an order entered thereunder within 5 years prior to the filing of such offering statement;
- has not been convicted within 5 years prior to the filing of such offering statement of any felony or misdemeanor in connection with the purchase or sale of any security or involving the making of any false filing with the Commission;
- is not subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction, entered within 5 years prior to the filing of such offering statement, permanently restraining or enjoining, such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with the Commission; or
- is not subject to a United States Postal Service false representation order entered under 39 U.S.C. §3005 within 5 years prior to the filing of the offering statement, or is subject to a temporary restraining order or preliminary injunction entered under 39 U.S.C. §3007 with respect to conduct alleged to have violated 39 U.S.C. §3005. The entry of an order, judgment or decree against any affiliated entity before the affiliation with the issuer arose, if the affiliated entity is not in control of the issuer and if the affiliated entity and the issuer are not under the common control of a third party who was in control of the affiliated entity at the time of such entry does not come within the purview of this paragraph (a) of this section.

To the best of our knowledge, no director, officer or general partner of the issuer, beneficial owner of 10 percent or more of any class of Sonasoft Corp. (the "Company") equity securities, promoter of the issuer presently connected with it in any capacity, underwriter of the securities to be offered, or any partner, director or officer of any such underwriter:

- has not been convicted within 10 years prior to the filing of the offering statement required by rule 252 of any felony or misdemeanor in connection with the purchase or sale of any security, involving the making of a false filing with the Commission, or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, or investment adviser;
- is not subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily enjoining or restraining, or is subject to any order, judgment, or decree of any court of competent jurisdiction, entered within 5 years prior to the filing of such offering statement, permanently enjoining or restraining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security, involving the making of a false filing with the Commission, or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, or investment adviser;
- is not subject to an order of the Commission entered pursuant to section 15(b), 15B(a), or 15B(c) of the Exchange Act, or section 203(e) or (f) of the Investment Advisers Act of 1940;
- is not suspended or expelled from membership in, or suspended or barred from association with a member of, a national securities exchange registered under section 6 of the Exchange Act or a national securities association registered under section 15A of the Exchange Act for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade; or
- is not subject to a United States Postal Service false representation order entered under 39 U.S.C. §3005 within 5 years prior to the filing of the offering statement required by rule 252, or is subject to a restraining order or preliminary injunction entered under 39 U.S.C. §3007 with respect to conduct alleged to have violated 39 U.S.C. §3005.

To the best of our knowledge, no underwriter of such securities was an underwriter or was named as an underwriter of any securities:

- covered by any registration statement which is the subject of any pending proceeding or examination under section 8 of the Act, or is the subject of any refusal order or stop order entered thereunder within 5 years prior to the filing of the offering statement required by rule 252; or
- covered by any filing which is subject to any pending proceeding under rule 258 or any similar rule adopted under section 3(b) of the Securities Act, or to an order entered thereunder within 5 years prior to the filing of such offering statement.

As a result, no such application for a waiver of disqualification has been applied for, accepted, or denied.

ITEM 3. Affiliate Sales

This proposed offering does not involve the resale of securities by affiliates of the Company.

ITEM 4. Jurisdictions in Which Securities Are to be Offered

- a) The securities to be offered in connection with this proposed offering shall not be offered by underwriters, dealers, or salespersons.
- b) The securities in this proposed offering shall be offered in the following jurisdictions, subject to qualification in each state, as and if necessary: i) New York and ii) New Jersey
- c) The securities to be offered in connection with this proposed offering shall be offered by the President, on behalf of the Company. The Company is not using a selling agent or finder in connection with this offering.

Please refer to the section in Part II of this Offering Statement entitled "Plan of Distribution" for more detailed information on the Company's Plan of Offering.

ITEM 5. Unregistered Securities Issued or Sold Within One Year

On December 29, 2011, the Company sold 2,614,200 shares of common stock to its current stockholders and employees of the Company at a price of .05 for an aggregate of \$130,710. These shares were issued in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended (the "Act"). These shares of our common stock qualified for exemption under Section 4(2) of the Securities Act of 1933 since the issuance shares by us did not involve a public offering.

On August 8, 2012, the Company issued 1,500,000 shares of common stock in exchange for services performed to two individuals.

ITEM 6. Other Present or Proposed Offerings

The issuer nor any of its affiliates is currently offering or contemplating the offering of any securities in addition to those covered by this Form 1-A.

ITEM 7. Marketing Arrangements

(a) Neither the Company nor anyone named in Item 1, nor any selling security holder is aware of any arrangement:

- (1) To limit or restrict the sale of other securities of the same class as those to be offered for the period of distribution;
- (2) To stabilize the market for any of the securities to be offered;
- (3) For withholding commissions, or otherwise to hold each underwriter or dealer responsible for the distribution of its participation.

(b) There is no underwriter to confirm sales to any accounts.

ITEM 8. Relationship with Issuer of Experts Named in Offering Statement

Aside from the following, no experts were employed on a contingent basis or otherwise, nor or have they any material interest in the issuer or any of its affiliated companies, their members or their agents.

The validity of the common stock offered by this prospectus will be passed upon for us by Anslow & Jaclin, LLP, Manalapan, New Jersey.

ITEM 9. Use of a Solicitation of Interest Document

The Company has not used a publication, whether or not authorized by Rule 254, prior to the filing of this notification.

Date of this Preliminary Offering Circular: September __, 2012

**PART II
OFFERING CIRCULAR
SONASOFT CORP.
2150 Trade Zone Blvd.
Suite 203
San Jose, Ca 95131
(408) 708-4000**

The information in this preliminary Offering Circular is not complete and may be changed. We and the selling members may not sell these securities until the Offering Circular filed with the Securities and Exchange Commission is qualified. This preliminary Offering Circular is not an offer to sell these securities, and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Type of securities offered: Common Shares
Maximum number of securities offered: 50,000,000
Minimum number of securities offered: 0
Price per security: \$0.10
Total proceeds: If maximum sold: \$5,000,000 If minimum sold: \$0
(See Questions 9 and 10)

Is a commissioned selling agent selling the securities in this offering? ☐ Yes ☒ No

If yes, what percent is commission of price to public? _____ %

Is there other compensation to selling agent(s)? ☐ Yes ☒ No

Is there a finder's fee or similar payment to any person? ☐ Yes ☒ No (See Question No. 22)

Is there an escrow of proceeds until minimum is obtained? ☐ Yes ☒ No (See Question No. 26)

Is this offering limited to members of a special group, such as employees of the Company or individuals? ☐ Yes ☒ No (See Question No. 25)

Is transfer of the securities restricted? ☐ Yes ☒ No (See Question No. 25)

THE U.S. SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR SELLING LITERATURE. THESE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM REGISTRATION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION.

INVESTMENT IN SMALL BUSINESSES INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE QUESTION NO. 2 FOR THE RISK FACTORS THAT MANAGEMENT BELIEVES PRESENT THE MOST SUBSTANTIAL RISKS TO AN INVESTOR IN THIS OFFERING.

This Company:

- ☐ Has never conducted operations.
☐ Is in the development stage.
☒ Is currently conducting operations.
☐ Has shown a profit in the last fiscal year.

☐ Other (Specify):

(Check at least one, as appropriate)

This offering has been State File No.
registered for offer and sale
in the following states: State

Effective Date

<input checked="" type="checkbox"/>	_____	_____	_____
<input checked="" type="checkbox"/>	_____	_____	_____
<input checked="" type="checkbox"/>	_____	_____	_____

[X] _____

IMPORTANT NOTICES TO INVESTORS

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITEIS HAVE NOT BEEN RECOMMNEDED OR APPROVED BYANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THESE AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SHARES OF COMMON STOCK ("SHARES") HAVE NOT BEEN QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. WE PLAN TO QUALIFY THE OFFERING WITH THE NEW YORK AND NEW JERSEY SECURITIES REGULATORY BODIES AND THE SECURITIES REGULATORY BODIES OF OTHER STATES AS WE MAY DETERMINE FROM TIME TO TIME. WE MAY ALSO OFFER OR SELL SHARES IN OTHER STATES IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE LAWS OF THOSE OTHER STATES.

NOTICE TO NEW JERSEY RESIDENTS:

FOR NEW YORK RESIDENTS:

THIS OFFERING CIRCULAR CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS OFFERING CIRCULAR.

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This Offering Circular, together with Financial Statements and other Attachments, consists of total of **81** pages.

THE COMPANY

1. Exact corporate name: Sonasoft Corp.
State and date of incorporation: California — December 18, 2002
Street address of principal office: 2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131
Company Telephone Number: (408) 708-4000
Fiscal year: December, 31 (month) (day)
Person(s) to contact at Company with respect to offering: Nand (Andy) Khanna
Telephone Number (if different from above): same

RISK FACTORS

2. List in the order of importance the factors which the Company considers to be the most substantial risks to an investor in this offering in view of all facts and circumstances or which otherwise make the offering one of high risk or speculative (i. e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or not provide an adequate return).

Risks Related to Our Business

1. **WE DEPEND ON OUR KEY MANAGEMENT PERSONNEL AND THE LOSS OF THEIR SERVICES COULD ADVERSELY AFFECT OUR BUSINESS.**

We place substantial reliance upon the efforts and abilities of our executive officers. The loss of the services of any of our executive officers could have a material adverse effect on our business, operations, revenues or prospects. We currently have employment agreements with our officers, however we do not have non-compete agreements with any of our officers. We do not maintain key man life insurance on the lives of these individuals.

2. **WE NEED TO MANAGE GROWTH IN OPERATIONS TO MAXIMIZE OUR POTENTIAL GROWTH AND ACHIEVE OUR EXPECTED REVENUES AND OUR FAILURE TO MANAGE GROWTH WILL CAUSE A DISRUPTION OF OUR OPERATIONS RESULTING IN THE FAILURE TO GENERATE REVENUE.**

In order to maximize potential growth in our current and potential markets, we believe that we must expand our sales efforts and marketing operations. This expansion will place a significant strain on our management and our operational, accounting, and information systems. We expect that we will need to continue to improve our financial controls, operating procedures, and management information systems. We will also need to effectively train, motivate, and manage our employees. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

3. **WE MAY INCUR SIGNIFICANT COSTS TO ENSURE COMPLIANCE WITH U.S. CORPORATE GOVERNANCE AND ACCOUNTING REQUIREMENTS.**

We may incur significant costs associated with our public company reporting requirements, costs associated with newly applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the Securities and Exchange Commission. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

4. **WE MAY NEVER ISSUE DIVIDENDS.**

We did not declare any dividends for the year ended December 31, 2011 and have not declared any dividends to date in 2012. Our board of directors does not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

5. FUTURE ACQUISITIONS MAY HAVE AN ADVERSE EFFECT ON OUR ABILITY TO MANAGE OUR BUSINESS.

If we are presented with appropriate opportunities, we may acquire complementary technologies or companies. Future acquisitions would expose us to potential risks, including risks associated with the assimilation of new technologies and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from our existing business and the inability to generate sufficient revenues to offset the costs and expenses of acquisitions. Any difficulties encountered in the acquisition and integration process may have an adverse effect on our ability to manage our business.

Risks Related to Our Industry

6. OUR ABILITY TO CONTINUE TO DEVELOP AND EXPAND OUR PRODUCT OFFERINGS TO ADDRESS EMERGING BUSINESS DEMANDS AND TECHNOLOGICAL TRENDS WILL IMPACT OUR FUTURE GROWTH. IF WE ARE NOT SUCCESSFUL IN MEETING THESE BUSINESS CHALLENGES, OUR RESULTS OF OPERATIONS AND CASH FLOWS WILL BE MATERIALLY AND ADVERSELY AFFECTED.

Our ability to implement solutions for our customers incorporating new developments and improvements in technology which translate into productivity improvements for our customers and to develop product offerings that meet the current and prospective customers' needs are critical to our success. The markets we serve are highly competitive. Our competitors may develop solutions or services which make our offerings obsolete. Our ability to develop and implement up to date solutions utilizing new technologies which meet evolving customer needs in backup and disaster recovery solutions will impact our future revenue growth and earnings.

7. OUR PRIMARY MARKET CONSISTS OF SMALL TO MEDIUM BUSINESSES WITH INFORMATION TECHNOLOGY NEEDS THAT CAN BE SERVICED BY US IS A HIGHLY COMPETITIVE MARKET. IF WE ARE UNABLE TO COMPETE IN THIS HIGHLY COMPETITIVE MARKET, OUR RESULTS OF OPERATIONS WILL BE MATERIALLY AND ADVERSELY AFFECTED.

Our competitors include large, technically competent and well capitalized companies. As a result, the markets which we serve are highly competitive. This competition may place downward pressure on operating margins in our industry. As a result, we may not be able to maintain our current operating margins for our product offerings in the future.

Any reductions in margins will require that we effectively manage our cost structure. If we fail to effectively manage our cost structure during periods with declining margins, our results of operations will be adversely affected.

8. THE BACKUP, RECOVERY AND ARCHIVING SOFTWARE MARKET IS HIGHLY COMPETITIVE AND FRAGMENTED, WHICH MEANS THAT OUR CUSTOMERS HAVE A NUMBER OF CHOICES FOR PROVIDERS OF SERVICES AND PRODUCTS AND WE MAY NOT BE ABLE TO COMPETE EFFECTIVELY.

The market for our products is highly competitive. The market is fragmented, there are a wide variety of product offerings with different capabilities, and no company holds a dominant position. Consequently, our competition for clients varies significantly. Most of our competitors are larger and have greater technical, financial, and marketing resources and greater name recognition than we have in the markets we collectively serve. In addition, clients may elect to increase their internal IT systems resources to satisfy their backup/disaster recovery needs.

9. CHANGES IN GOVERNMENT REGULATIONS AND LAWS AFFECTING THE IT INDUSTRY, INCLUDING ACCOUNTING PRINCIPLES AND INTERPRETATIONS AND THE TAXATION OF DOMESTIC AND FOREIGN OPERATIONS, COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new SEC regulations, are creating uncertainty for companies such as ours. These new or changed laws, regulations and standards are subject to varying interpretations which, in many instances, is due to their lack of specificity. As a result, the application of these new standards and regulations in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure.

As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In particular, our efforts to comply with Section 404 of the Sarbanes-Oxley Act of 2002 and the related regulations regarding our required assessment of our internal controls over financial reporting and our independent auditors' audit of that assessment has required the commitment of significant internal, financial and managerial resources.

The Financial Accounting Standards Board, SEC or other accounting rulemaking authorities may issue new accounting rules or standards that are different than those that we presently apply to our financial results. Such new accounting rules or standards could require significant changes from the way we currently report our financial condition, results of operations or cash flows.

U.S. generally accepted accounting principles have been the subject of frequent interpretations. As a result of the enactment of the Sarbanes-Oxley Act of 2002 and the review of accounting policies by the SEC as well as by national and international accounting standards bodies, the frequency of future accounting policy changes may accelerate. Such future changes in financial accounting standards may have a significant effect on our reported results of operations, including results of transactions entered into before the effective date of the changes.

We are subject to income taxes in the United States. Our provision for income taxes and our tax liability in the future could be adversely affected by numerous factors including, but not limited to, changes in the valuation of deferred tax assets and liabilities, and changes in tax laws, regulations, accounting principles or interpretations thereof, which could adversely impact our financial condition, results of operations and cash flows in future periods.

Risks Related to Our Common Stock

10. YOU MAY NOT BE ABLE TO LIQUIDATE YOUR INVESTMENT SINCE THERE IS NO ASSURANCE THAT A PUBLIC MARKET WILL DEVELOP FOR OUR COMMON STOCK OR THAT OUR COMMON STOCK WILL EVER BE APPROVED FOR TRADING ON A RECOGNIZED EXCHANGE.

There is no established public trading market for our securities. After this document is declared effective by the Securities and Exchange Commission, we intend to seek a market maker to apply for a quotation on the OTC BB in the United States. Our shares are not and have not been listed or quoted on any exchange or quotation system. We cannot assure you that a market maker will agree to file the necessary documents with the OTC BB, nor can there be any assurance that such an application for quotation will be approved or that a regular trading market will develop or that if developed, will be sustained. In the absence of a trading market, an investor may be unable to liquidate its investment, which will result in the loss of your investment.

11. THE OFFERING PRICE OF THE SHARES WAS ARBITRARILY DETERMINED, AND THEREFORE SHOULD NOT BE USED AS AN INDICATOR OF THE FUTURE MARKET PRICE OF THE SECURITIES. THEREFORE, THE OFFERING PRICE BEARS NO RELATIONSHIP TO THE ACTUAL VALUE OF THE COMPANY, AND MAY MAKE OUR SHARES DIFFICULT TO SELL.

Since our shares are not listed or quoted on any exchange or quotation system, the offering price of \$0.10 for the shares of common stock was arbitrarily determined. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market. The offering price is not an indication of and is not based upon our actual value. The offering price bears no relationship to the book value, assets or earnings of our company or any other recognized criteria of value. The offering price should not be regarded as an indicator of the future market price of the securities.

12. "PENNY STOCK" RULES MAY MAKE BUYING OR SELLING OUR COMMON STOCK DIFFICULT

Trading in our securities will be subject to the "penny stock" rules. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors, must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. Broker-dealers who sell penny stocks to certain types of investors are required to comply with the Commission's regulations concerning the transfer of penny stocks. These regulations require broker-dealers to:

- Make a suitability determination prior to selling a penny stock to the purchaser;
- Receive the purchaser's written consent to the transaction; and
- Provide certain written disclosures to the purchaser.

These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

Note: In addition to the above risks, businesses are often subject to risks not foreseen or fully appreciated by management. In reviewing this Offering Circular potential investors should keep in mind other possible risks that could be important.

BUSINESS AND PROPERTIES

3. With respect to the business of the Company and its properties:

(a) Describe in detail what business the Company does and proposes to do, including what product or goods are or will be produced or services that are or will be rendered.

Sonasoftware was incorporated in the State of California in 2002 for the purpose of providing data protection, high availability and disaster recovery for Microsoft Exchange, SQL and Windows servers. Designed to simplify and eliminate human error in the backup and recovery process, Sonasoftware solutions would be designed to centralize the management of multiple servers and provide a cost-effective turnkey disaster recovery strategy for companies of all sizes. At that time, we expected to be the only company to provide an integrated disk-to-disk backup/recovery and replication solution for Microsoft Exchange and SQL Servers. Typically, customers would have to pay three to four times more to buy multiple solutions from different vendors to obtain functionality comparable to that offered by our integrated solution.

We rounded out our product suite in 2010 with the introduction of SonaVault, an Email Archiving solution, to address Corporate Compliance and eDiscovery requirements. At the present time we are primarily focused on selling the SonaVault product as today's demand for email archiving solutions is high. We have sold our products in North America, Europe and Asia by direct sales to SMB customers

.We have received awards from reputed industry trade publications including SQL server Magazine and MSExchange.org. We have been named a Gold Partner of Microsoft and work with Microsoft in our product development.

We have patent applications pending for two aspects of our functionality that are unique. These are:

- Web Enabled Exchange Server Standby Solution Using Mailbox Level Replication
- Exchange Server Standby Solution Using Mailbox Level Replication with Crossed Replication between two Exchange Servers

(b) Describe *how* these products or services are to be produced or rendered and how and when the Company intends to carry out its activities. If the Company plans to offer a new product(s), state the present stage of development, including whether or not a working prototype(s) is in existence. Indicate if completion of development of the product would require a material amount of the resources of the Company and the estimated amount. If the Company is or is expected to be dependent upon one or a limited number of suppliers for essential raw materials, energy or other items, describe. Describe any major existing supply contracts.

While certain improvements are planned to maintain and improve competitiveness (see Engineering Section), our products have been installed and proven by customer acceptance, our growth will hopefully stem from the sales and marketing investments supported by the current planned financing.

Sonasoftware 2012 Sales Strategy

The present Sonasoftware sales strategy has six major focal points:

Government/Education Market:

Ease of implementation and low acquisition costs make Sonasoft products attractive to increasingly budget conscious state and local governments and educational institutions. In California, alone, there are over 780 different school districts and we believe the vast majority of them have not yet adequately addressed their needs for the protection and cost benefits of email archiving. We intend to leverage our base of very satisfied installed customers as references to increase sales momentum in this vertical market.

SonaVault Appliance:

SonaVault was designed from inception to be appropriate for delivery to customers as a preloaded bundled system with a hardware supplier. In April of 2012 we reached agreements with DELL, Microsoft and Avnet to create and deliver exactly this solution. Many customers will favor this approach as it may cut their installation time by more than 75% as well as reduce chances for errors in the installation process.

OEM

As a member of the Intel Enabled Solutions Acceleration Alliance, ESAA we are afforded visibility to Intel OEM partners who may have a need to further differentiate their server sales with pre-installed Recovery, Replication or Archiving software for their own branded offerings. In particular, SonaVault provides an attractive addition to existing OEMs currently selling Microsoft Exchange Server solutions, but, without email archiving. Our strategy in this market will be to sell our software based on high volume and a heavily discounted price so that these business partners can then incorporate the total package solutions they are bringing to market. This approach provides for a greater reach by us into the market at large without having to spend the sales and marketing dollars to access and serve that market. We will sell pre-paid licenses and will obtain royalties based on a specified volume over a given period of time.

Direct Sales

Even as we develop future partnerships and channel sales, management recognizes that the building blocks for such growth will have its foundation in the sales we achieve now and in the immediate future through direct customer contact. We strive to utilize this contact to maintain high customer satisfaction, recognize new trends, and gauge end user feelings about alternatives to Sonasoft. At this point in time our new sales are driven through web marketing and selective campaigns aimed at the set of vertical markets in our focus.

International Sales

We have regularly been receiving sales inquiries from customers outside the US who have found our Website through internet searching for solutions in our product categories. As a result we have installed Sonasoft products in countries ranging across Europe, Africa, the Middle East and India. To date this has been done with little effort on our part as these customers have come to us. Our growth plans do call for establishing distributors with exclusive territories in selected geographies that we feel will be productive in the future.

Customer Support

As sales continue, the need for customer support continues to grow as well. With the maintenance and support agreements that are purchased by many of our customers, Customer Support has become a revenue generating component of the company. Over the next 12 months, we plan to increase its customer support resources by:

Adding additional staff to handle the volume of support calls required to maintain customer satisfaction and services levels as per the support agreements signed between the customer and company. The customer support levels (Silver, Gold, and Platinum) that Sonasoft offers are as follows in the customer support matrix listed below:

Customer Support Service Levels are Silver, Gold, and Platinum

Support Feature	Silver	Gold	Platinum
Phone Support	✓	✓	✓
Email Support	✓	✓	✓

Web-Based Case Management	✓	✓	✓
Knowledge Base	✓	✓	✓
Self Help Resources	✓	✓	✓
Web-Based Support	✓	✓	✓
Software Updates	✓	✓	✓
Unlimited Support Accounts	1	3	✓
Dedicated Customer Support			✓
Business Review Meetings			✓
Customer Counsel			✓
Onsite Technical Support			Optional Add-On
Response Times	4 hour	2 hour	30 minutes
Support Hours	7 AM to 6 PM	24x5days	24x7x365
Support Days	Mon - Fri	Mon - Fri	Every Day

Additional customer support staff will be required for the following positions:

- Managing the customer support website including downloads and updates
- Installation support specialists
- Data recovery for critical restore specialists
- Specialized Microsoft (Exchange Server, SQL Server, and File Systems) product support personnel.

Currently the support staff is servicing over 400 customers. A new staff member is required for every 75 customers that Sonasoft adds. However, this will be based upon the volume of calls and service requests generated by customers.

Adding a web based portal that directly communicates with the company's CRM, where customers and support staff can have a centralized system to handle customer support. Both customers and support staff will use it to address site access (based upon maintenance agreement), cases, knowledge base, downloads (software and hot fixes), etc. This will ultimately speed up response times between customer and support staff.

Educating the customer on the software is a key component of ensuring the customer has the proper knowledge on how to utilize the features and functionality available to them in the product. By providing this offering, it reduces the number of calls and emails from the customer. The following programs are available to the customer:

1. Installed Product Reviews are held for customers that have recently purchased a Sonasoft solution and want to learn about the basic functionality of the application. This is hosted online by a customer support technician.
2. Product Training is held for customers that want an in-depth look at the functionality of the product, how to use it, read the log files, and troubleshoot issues. This training generally lasts about 4 hours. Product Training is hosted online by a customer support technician.

Sonasoft plans to develop a formal certification program for customers and resellers. This program will boost their skills and workplace productivity while validating their knowledge on Microsoft's SQL Server, Exchange Server and File Systems products. Designed for both experienced and expert level users, the curriculum will prepare them to plan, design, and manage all key components of their information and data protection lifecycle.

Professional Services can be offered to the customer and provided by specialized support personnel in the areas of Exchange Server and SQL Server. Many companies will often hire outside professionals to design, install, configure and upgrade systems. Sonasoft's professional services would include:

- Remote Backup & Disaster Recovery
- Remote Database Administration
- Installations and upgrades
- Database Migration
- Database Replication
- Database Administration
- Performance Tuning
- Design & Architecture

All Professional Services will be billed at an hourly rate. Travel and Expenses would not be included. A contract would need to be purchased prior to Professional Services commencing.

Engineering

Overview

Our engineering resources are focused on developing and maintaining our compliance, high availability, and disaster recovery and migration products for the Microsoft platform. We work closely with Microsoft products and standards in all our software development. In particular, we develop application-specific products for Exchange, SQL and Windows servers to achieve our goals of granularity in functionality, ease of use and automation.

Current Products

- SonaVault Email Archiving and eDiscovery
- SonaExchange Backup / Recovery / migration and Replication
- SonaSQL Backup / Recovery / migration and Replication

SonaVault leverages the journaling capabilities of Mail Server to capture all emails coming in and going out of the Microsoft Exchange Server and archive it to Microsoft SQL Server. This whole process is transparent to existing users of the Mail System. By utilizing Microsoft SQL Server Full Text Catalog Search capabilities we are able to provide a very sophisticated search engine to discover and retrieve emails for litigation or regulatory compliance. We utilize advanced encryption and compression technologies to protect against message tampering and to reduce space demands on the servers.

SonaVault architecture is designed so the software may be installed as an on premise solution; may be integrated into an appliance based solution or may be run as a service by managed service providers (MSP) to provide the software as a service (SaaS) to their clients.

Sonasoft's patent-pending solution enables the rapid recovery of emails at the point-of-failure without losing a single email, calendar, contact and other important information. SonaExchange provides unique and extremely powerful technology for the replication of the Microsoft Exchange Server at the mailbox level.

SonaSQL offers very unique high availability and disaster recovery functionality. With SonaSQL, failing over to a secondary or destination server is as simple as clicking a few buttons on an easy to use web-user interface. When the old primary site, or source server, comes back, failing back is again very simple without the need to perform the full backup and full restore.

Major Product Features

- Automatically archive corporate email into one storage area
- Reduce email storage requirements which dramatically reduces Backup/Recovery time
- Migrate old PST files stored on client machines
- Set up email retention and categorization policies
- Helps comply with Sarbanes-Oxley, HIPAA, FINRA Acts
- Collect and archive emails in one geographical location

- Audit of Archived emails, user access and searches, policy changes
- Access emails from any location through a browser
- Advanced email search and 'Saved Search' capabilities
- One-Click Restore a single email to a mailbox
- Replication, fail-over, fail-back and Migration of databases and user's mailboxes
- Litigation holds through case management
- Flagging and reviewing of sensitive content and trend identification
- Support for WORM drive to meet FINRA compliance
- Multi-domain archiving to single SonaVault archive server

Development Plan

- Mobile Access to archived emails This feature will allow users with any smart phones such as iPhone, Android or Blackberry to search and view their archived emails.
- SMTP Server and IM Archiving This feature will allow archiving emails from any SMTP and Instant Messaging Server.
- Enhancements of SonaSQL, SonaExchange and SonaVault products.

(c) Describe the industry in which the Company is selling or expects to sell its products or services and, where applicable, any recognized trends within that industry. Describe that part of the industry and the geographic area in which the business competes or will compete. Indicate whether competition is or is expected to be by price, service, or other basis. Indicate (by attached table if appropriate) the current or anticipated prices or price ranges for the Company's products or services, or the formula for determining prices, and how these prices compare with those of competitors' products or services, including a description of any variations in product or service features. Name the principal competitors that the Company has or expects to have in its area of competition. Indicate the relative size and financial and market strengths of the Company's competitors in the area of competition in which the Company is or will be operating. State why the Company believes it can effectively compete with these and other companies in its area of competition.

Note: Because this Offering Circular focuses primarily on details concerning the Company rather than the industry in which the Company operates or will operate, potential investors may wish to conduct their own separate investigation of the Company's industry to obtain broader insight in assessing the Company's prospects.

Sonasoft develops and markets enterprise software targeted for small to medium sized businesses and organizations primarily in North America, Europe, and some parts of the Middle East and Africa.

Typical sales transaction units range from \$5,000 to \$15,000 and depend on factors such as the number of individual mail boxes involved in the customer's system.

To our knowledge, when taken together, the company's offerings comprise the only single-vendor suite capable of providing backup, replication, migration, compliance, eDiscovery and storage management as an integrated solution on a Microsoft Windows platform from a single vendor. Typically, customers have to buy multiple solutions from different vendors to get similar capability. Also, it would cost three to four times more to get comparable functionality offered by our solutions. Typically customers may use software from Symantec, Computer Associates or EMC for backup purposes. DoubleTake, Neverfail and CA-Xosoft are typical solutions used for replication while GFI and Barracuda are typical email archiving solution providers.

Replication services by most competing software offerings are performed at the block by level utilizing the storage controller or by mirroring. With SonaSQL and SonaExchange, the replication is very application specific. In the case of Exchange, the replication is done at a mailbox level and in the case of SQL, the standby occurs at a database level. This approach allows Sonasoft to provide better automation, more granularity and other advantages versus alternatives.

(d) Describe specifically the marketing strategies the Company is employing or will employ in penetrating its market or in developing a new market. Set forth in response to Question 4 below the timing and size of the results of this effort which will be necessary in order for the Company to be profitable. Indicate how and by whom its products or services are or will be marketed (such as by advertising, personal contact by sales representatives, etc.), how its marketing structure operates or will operate and the basis of its marketing approach, including any market studies. Name any customers that account for, or based upon existing orders will account for a major portion (20% or more) of the Company's sales. Describe any major existing sales contracts.

No single existing customer or planned sale accounts for a major portion of the Company's revenue. A description of our plans follows below.

Marketing

Since 2010, following the release of SonaVault, we have focused all of our marketing attention toward serving the email archiving market.

Email volume has been growing at the rate of 40% every year and managing this information has become very complex in organizations of all sizes. Businesses as well as government and educational organizations are being increasingly asked to retrieve emails in support of, or, to prevent, litigation. Also organizations need to comply with regulatory compliance requirements such as Sarbanes-Oxley and HIPAA. According to the Sarbanes-Oxley Act, public companies must keep all documents and communications for seven years following an audit. Hence, email is becoming an Achilles Heel of document and records management. By adding the archiving capability to our product lines we have considerably enhanced the appeal and value of our solutions.

The main marketing focus will be to generate leads through web centric marketing efforts supported by complementary activities involving the following programs:

- Conduct regular and on-demand Webinars. The company has already developed a proficiency in executing these successfully through the use of using Internet Collaboration tools such as Webex and others to demonstrate product solutions to interested IT managers. An increased marketing budget will provide the administrative and sales support required to scale this appropriately.
- Sonasoft will exploit its opportunity to develop a thought leadership position in Recovery, Replication and Archiving by publishing articles and white papers as well as interviews to trade magazines and analysts. The company has the advantage of this expertise from its direct involvement with customers and product development over its unique ten years of existence.
- Sonasoft will utilize its asset of a highly satisfied installed user base to publish case studies describing how businesses are benefiting from their use of Sonasoft products. The company has a given careful attention to nurturing its customers and feels it has a significant advantage to now use. An increased marketing budget will provide the resources needed to document and publish these successes.
- The Company will generate leads through spends in selected online marketing projects including:
 - email campaigns to target groups;
 - online advertisements;
 - Google AdWords;
 - Social media including, specifically, LinkedIn; and
 - blog contributions.
- Lead generation efforts will be focused on four specific Industry groups – Financial, Healthcare, Legal and Education/Government
- Expand the offering of lunch hour seminars for interested IT managers. This already proven program utilizes Microsoft meeting facilities. Increased marketing budgets will be invested in the administrative and inside sales support resources to expand this activity.
- Establish a Customer Council to provide regular dialogue regarding product and support needs with existing customers.
- Participate in selected industry events such as Exchange Connections and SQL PASS Summit.

(e) State the backlog of written firm orders for products and/or services as of a recent date (within the last 90 days) and compare it with the backlog of a year ago from that date.

The company does not maintain a backlog. Its packaged software products are delivered immediately upon order from the customer.

Explain the reason for significant variations between the two figures, if any. Indicate what types and amounts of orders are included in the backlog figures. State the size of typical orders. If the Company's sales are seasonal or cyclical, explain.

(f) State the number of the Company's present employees and the number of employees it anticipates it will have within the next 12 months. Also, indicate the number by type of employee (i.e., clerical, operations, administrative, etc.) the Company will use, whether or not any of them are subject to collective bargaining agreements, and the expiration date(s) of any collective bargaining agreement(s). If the Company's employees are on strike, or have been in the past three years, or are threatening to strike, describe the dispute. Indicate any supplemental benefits or incentive arrangements the Company has or will have with its employees.

As of August 6, 2012, we have 6 full-time employees. Of these employees, 2 work in sales, 1 works in marketing, 1 in management, 1 in the technology department and 1 works in customer operations. After a successful completion of this financing, we plan to expand our operations to 15 employees and 2 consulting part-time employees. We are not a party to any collective bargaining agreements and have not experienced any strikes or work stoppages. We believe our relationships with our employees are good. From time to time, we utilize the services of independent contractors to perform various field and other services. The company does not currently offer any health benefit programs. For an overview on any supplemental benefits or incentive arrangements the Company has with its employees, please see the "Executive Compensation" section on page 35.

(g) Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) that the Company owns, indicating also what properties it leases and a summary of the terms under those leases, including the amount of payments, expiration dates and the terms of any renewal options. Indicate what properties the Company intends to acquire in the immediate future, the cost of such acquisitions and the sources of financing it expects to use in obtaining these properties, whether by purchase, lease or otherwise.

Property of the Issuer

- Our executive office is located at 2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131. The lease runs from March 1, 2010 until February 28, 2013. The base rent for this property is \$2,424.75 for the remainder of our lease. In addition to the base rent, we pay roughly \$2,500 in operating expenses under the terms of our lease. Our monthly rental bill for this property is between \$4,000 and \$6,000.**
- We do not hold any properties through any subsidiaries, as we do not have any subsidiaries.**
- The Company does not intend to acquire in the immediate future any property.**

(h) Indicate the extent to which the Company's operations depend or are expected to depend upon patents, copyrights, trade secrets, know-how or other proprietary information and the steps undertaken to secure and protect this intellectual property, including any use of confidentiality agreements, covenants-not-to-compete and the like. Summarize the principal terms and expiration dates of any significant license agreements. Indicate the amounts expended by the Company for research and development during the last fiscal year, the amount expected to be spent this year and what percentage of revenues research and development expenditures were for the last fiscal year.

The Company spent \$120,000 on product maintenance and development in 2011.

The Company does not expect to have any dependency on future patents, copyrights or other proprietary information. There are no special no-compete agreements between the Company and any other individuals. The Company does have patent applications pending for two aspects of our functionality that are unique. These are:

- Web Enabled Exchange Server Standby Solution Using Mailbox Level Replication**
- Exchange Server Standby Solution Using Mailbox Level Replication with Crossed Replication between two Exchange Servers**

(i) If the Company's business, products, or properties are subject to material regulation (including environmental regulation) by federal, state, or local governmental agencies, indicate the nature and extent of regulation and its effects or potential effects upon the Company.

To the best of our knowledge, we are not subject any material regulation, including environmental regulation by any federal, state, or local governmental agency.

(j) State the names of any subsidiaries of the Company, their business purposes and ownership, and indicate which are included in the Financial Statements attached hereto. If not included, or if included but not consolidated, please explain.

Our Company does not currently have any subsidiaries.

(k) Summarize the material events in the development of the Company (including any material mergers or acquisitions) during the past five years, or for whatever lesser period the Company has been in existence. Discuss any pending or anticipated mergers, acquisitions, spin-offs or recapitalizations. If the Company has recently undergone a stock split, stock dividend or recapitalization in anticipation of this offering, describe (and adjust historical per share figures elsewhere in this Offering Circular accordingly).

1. Historical Events

a. We were incorporated in the State of California on December 18, 2002

2. Sales of Equity Securities

a. The company has made stock purchase offers to existing shareholders over the years. The equity tables provided herein describe the current state of stock ownership by individuals.

3. The Company has not in the past five years nor does it plan to conduct any mergers, acquisitions, or spin-offs in the near future.

4. (a) If the Company was not profitable during its last fiscal year, list below in chronological order the events which in management's opinion must or should occur or the milestones which in management's opinion the Company must or should reach in order for the Company to become profitable, and indicate the expected manner of occurrence or the expected method by which the Company will achieve the milestones.

Event or Milestone	Expected manner of occurrence or method of achievement	Date or number of months after receipt of proceeds when should be accomplished
1. Addition of sales staff (2 Senior level)	Utilize funding to hire from candidates already known to the Company	3 months
2. Marketing programs described in plan	Utilize funding to pay for advertising, copywriting, seminars and other planned programs	3-6 months
3. Sign up first OEM partner	Outreach by Business Development executive to be hired	7 months
4. Sign up first International resellers	Through targeted outreach to already known interested parties in Europe.	7 months

(b) State the probable consequences to the Company of delays in achieving each of the events or milestones within the above time schedule, and particularly the effect of any delays upon the Company's liquidity in view of the Company's then anticipated level of operating costs. (See Question Nos. 11 and 12)

Any delay or failure to achieve any and all of the above milestones, or to complete a successful financing within the above time schedule could affect the profitability or survival of the Company.

Date of this Preliminary Offering Circular: September __, 2012

Note: After reviewing the nature and timing of each event or milestone, potential investors should reflect upon whether achievement of each within the estimated time frame is realistic and should assess the consequences of delays or failure of achievement in making an investment decision.

OFFERING PRICE FACTORS

If the securities offered are common stock, or are exercisable for or convertible into common stock, the following factors may be relevant to the price at which the securities are being offered.

5. What were net, after-tax earnings for the last fiscal year? (If losses, show in parenthesis.)

Total \$(719,900) (\$0.014 per share)

6. If the Company had profits, show offering price as a multiple of earnings. Adjust to reflect for any stock splits or recapitalizations, and use conversion or exercise price in lieu of offering price, if applicable.

Offering Price Per Share /Net After-Tax Earnings Last Year Per Share = (price/earnings multiple)

The Company does not currently have profits.

7. (a) What is the net tangible book value of the Company? (If deficit, show in parenthesis.) For this purpose, net tangible book value means total assets (exclusive of copyrights, patents, goodwill, research and development costs and similar intangible items) minus total liabilities.

\$ (3,461,733) \$ (.068) per share

If the net tangible book value per share is substantially less than this offering (or exercise or conversion) price per share, explain the reasons for the variation.

- (b) State the dates on which the Company sold or otherwise issued securities during the last 12 months, the amount of such securities sold, the number of persons to whom they were sold, and relationship of such persons to the Company at the time of sale, the price at which they were sold and, if not sold for cash, a concise description of the consideration. (Exclude bank debt.) .

a. In the last 12 months, the Company has not sold or otherwise issued any securities.

8. (a) What percentage of the outstanding shares of the Company will the investors in this offering have? Assume exercise of outstanding options, warrants or rights and conversion of convertible securities, if the respective exercise or conversion prices are at or less than the offering price. Also assume exercise of any options, warrants or rights and conversions of any convertible securities offered in this offering.)

If the maximum is sold: 34.30 %

If the minimum is sold: 0 %

- (b) What post-offering value is management implicitly attributing to the entire Company by establishing the price per security set forth on the cover page (or exercise or conversion price if common stock is not offered)? (Total outstanding shares after offering times offering price, or exercise or conversion price if common stock is not offered.)

If the maximum is sold: \$13,114,199.90 *

If the minimum is sold: \$8,114,199.90 *

* These values assume that the Company's capital structure would be changed to reflect any conversions of outstanding convertible securities and any use of outstanding securities as payment in the exercise of outstanding options, warrants or rights included in the calculation. The type and amount of convertible or other securities thus eliminated would be: 0 These values also assume an increase in cash in the Company by the amount of any cash payments that would be made upon cash exercise of options, warrants or rights included in the calculations. The amount of such cash would be: \$0.

(For above purposes, assume outstanding options are exercised in determining "shares" if the exercise prices are at or less than the offering price. All convertible securities, including outstanding convertible securities, shall be assumed converted and any options, warrants or rights in this offering shall be assumed exercised.) Note: After reviewing the above, potential investors should consider whether or not the offering price (or exercise or conversion price, if applicable) for the securities is appropriate at the present stage of the Company's development.

USE OF PROCEEDS

9. (a) The following table sets forth the use of the proceeds from this offering:

	If Minimum Sold Amount 0%	If Maximum Sold Amount 100%
Total Proceeds	\$0	\$5,000,000
Less: Offering Expenses	100%	100%
Commissions & Finders Fees:	\$(60,000)	\$(500,000)
Legal & Accounting:	\$(15,000)	\$(75,000)
Copying & Advertising:	\$(5,000)	\$(15,000)
Other (Specify):	\$(1,000)	\$(10,000)
Net Proceeds from Offering	\$(81,000)	\$4,400,000
Use of Net Proceeds	\$0	\$4,400,000
Total Use of Net Proceeds	\$0	\$4,400,000
	100%	100%

(1) The Company will use the proceeds from the sale of the Shares for general corporate and working capital purposes and acquisitions or assets, businesses or operations or for other purposes that the Board of Directors, in its good faith deem to be in the best interest of the Company.

b) If there is no minimum amount of proceeds that must be raised before the Company may use the proceeds of the offering, describe the order of priority in which the proceeds set forth above in the column "If Maximum Sold" will be used.

Note: After reviewing the portion of the offering allocated to the payment of offering expenses, and to the immediate payment to management and promoters of any fees, reimbursements, past salaries or similar payments, a potential investor should consider whether the remaining portion of his investment, which would be that part available for future development of the Company's business and operations, would be adequate.

10. (a) If material amounts of funds from sources other than this offering are to be used in conjunction with the proceeds from this offering, state the amounts and sources of such other funds, and whether funds are firm or contingent. If contingent, explain.

Answer: At this time the company has no plans to obtain additional funds from other sources."

(b) If any material part of the proceeds is to be used to discharge indebtedness, describe the terms of such indebtedness, including interest rates. If the indebtedness to be discharged was incurred within the current or previous fiscal year, describe the use of proceeds of such indebtedness.

Answer: The Company has no plans to use these funds to discharge any indebtedness.

(c) If any material amount of proceeds is to be used to acquire assets, other than in the ordinary course of business, briefly describe and state the cost of the assets and other material terms of the acquisitions. If the assets are to be acquired from officers, directors, employees or principal stockholders of the Company or their associates, give the names of the persons from whom the assets are to be acquired and set forth the cost to the Company, the method followed in determining the cost, and any profit to such persons.

Answer: No material amounts of these proceeds are planned to be used to acquire assets, other than those required for the ordinary and expected course of the business.

(d) If any amount of the proceeds is to be used to reimburse any officer, director, employee or stockholder for services already rendered, assets previously transferred, or monies loaned or advanced, or otherwise, explain:

Answer: The Company has no plans to use these proceeds for the reimbursement of prior services rendered or to repay previous loans or transfers of assets to the company.

11. Indicate whether the Company is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether or not it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments. Indicate if a significant amount of the Company's trade payables have not been paid within the stated trade term. State whether the Company is subject to any unsatisfied judgments, liens or settlement obligations and the amounts thereof. Indicate the Company's plans to resolve any such problems.

Answer: The Company may pay \$107,000, not included in the Financial Plan, to address the litigation issue described in the Litigation section of this Offering Statement. However, the Company does not anticipate having a liquidity problem within the next 12 months due to any breach of loan, indebtedness, or financing. The proceeds will be used to support the described business operations.

12. Indicate whether proceeds from this offering will satisfy the Company's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known.

Answer: The Company has no plans to raise additional funds within the next 12 months. It is anticipated that the funds will provide sufficient capability to allow the company to go forward with funding solely from its operating income at the end of this period.

If any substantial portion of the proceeds has not been allocated for particular purposes, a statement to that effect as one of the Use of Net Proceeds categories should be included together with a statement of the amount of proceeds not so allocated and a footnote explaining how the Company expects to employ such funds not so allocated.

CAPITALIZATION

13. Indicate the capitalization of the Company as of the most recent balance sheet date (adjusted to reflect any subsequent stock splits, stock dividends, recapitalizations or refinancings) and as adjusted to reflect the sale of the minimum and maximum amount of securities in this offering and the use of the net proceeds therefrom:

	As of: July 20, 2012	Amount Outstanding As Adjusted	
		Minimum	Maximum
Short-term debt (average interest rate 10%)	\$ <u>1,000,313</u>	\$ <u>1,000,313</u>	\$ <u>1,000,313</u>
Long-term debt (average interest rate 10%)	\$ <u>2,625,798</u>	\$ <u>2,625,798</u>	\$ <u>2,625,798</u>
Total debt	\$ <u>3,626,111</u>	\$ <u>3,626,111</u>	\$ <u>3,626,111</u>
Stockholders equity (deficit):			
Preferred stock — par or stated value (by class of preferred in order of preferences)			
	\$	\$	\$
Common stock — par or stated value	\$ <u>7,026,086</u>	\$ <u>7,026,086</u>	\$ <u>12,026,086</u>
Additional paid in capital	\$ <u>1,897,969</u>	\$ <u>1,897,969</u>	\$ <u>1,897,969</u>
Retained earnings (deficit)	\$ <u>(12,468,610)</u>	\$ <u>(12,468,610)</u>	\$ <u>(12,468,610)</u>
Total stockholders equity (deficit)	\$ <u>(3,544,556)</u>	\$ <u>(3,544,556)</u>	\$ <u>1,455,445</u>
Total Capitalization	\$ <u>(8,924,054)</u>	\$ <u>(8,924,054)</u>	\$ <u>1,455,445</u>
	\$	\$	\$

Number of preferred shares authorized to be outstanding: **None**

Number of Class of Preferred	Par Value Shares Authorized Per Share
	\$
	\$
	\$

Number of common shares authorized: **200,000,000 shares. Par or stated value per share, if any: \$.001**

Number of common shares reserved to meet conversion requirements or for the issuance upon exercise of options, warrants or rights:
0 shares

DESCRIPTION OF SECURITIES

14. The securities being offered hereby are: ☒ Common Stock

15. These securities have:

Yes No

☐ ☒ Cumulative voting rights

☐ ☒ Other special voting rights

☐ ☒ Preemptive rights to purchase in new issues of shares

☐ ☒ Preference as to dividends or interest

☐ ☒ Preference upon liquidation

☐ ☒ Other special rights or preferences (specify): _____

Explain:

16. Are the securities convertible? ☐ Yes ☒ No

If so, state conversion price or formula.

Date when conversion becomes effective: ____ / ____ / ____

Date when conversion expires: ____ / ____ / ____

17. (a) If securities are notes or other types of debt securities:

(1) What is the interest rate? _____% If interest rate is variable or multiple rates, describe:

(2) What is the maturity date? ____ / ____ / ____ If serial maturity dates, describe:

(3) Is there a mandatory sinking fund? ☐ Yes ☐ No Describe:

(4) Is there a trust indenture? ☐ Yes ☐ No Name, address and telephone number of Trustee

(5) Are the securities callable or subject to redemption? ☐ Yes ☐ No Describe, including redemption prices:

(6) Are the securities collateralized by real or personal property? ☐ Yes ☐ No Describe: _____

(7) If these securities are subordinated in right of payment of interest or principal, explain the terms of such subordination.

How much currently outstanding indebtedness of the Company is senior to the securities in right of payment of interest or principal? \$ _____

How much indebtedness shares in right of payment on an equivalent (paripassu) basis? \$ _____

How much indebtedness is junior (subordinated) to the securities? \$ _____

(b) If notes or other types of debt securities are being offered and the Company had earnings during its last fiscal year, show the ratio of earnings to fixed charges on an actual and pro forma basis for that fiscal year. "Earnings" means pretax income from continuing operations plus fixed charges and capitalized interest. "Fixed charges" means interest (including capitalized interest), amortization of debt discount, premium and expense, preferred stock dividend requirements of majority owned subsidiary, and such portion of rental expense as can be demonstrated to be representative of the interest factor in the particular case. The pro forma ratio of earnings to fixed charges should include incremental interest expense as a result of the offering of the notes or other debt securities.

Last Fiscal Year Actual	Pro Forma Minimum Maximum		
"Earnings" / "Fixed Charges" =			
If no earnings show "Fixed Charges" only			

Note: Care should be exercised in interpreting the significance of the ratio of earnings to fixed charges as a measure of the "coverage" of debt service, as the existence of earnings does not necessarily mean that the Company's liquidity at any given time will permit payment of debt service requirements to be timely made. See Question Nos. 11 and 12. See also the Financial Statements and especially the Statement of Cash Flows.

18. If securities are Preference or Preferred stock: **NO**

Are unpaid dividends cumulative? ☐ Yes ☐ No

Are securities callable? ☐ Yes ☐ No Explain:

Note: Attach to this Offering Circular copies or a summary of the charter, bylaw or contractual provision or document that gives rise to the rights of holders of Preferred or Preference Stock, notes or other securities being offered.

1. If securities are capital stock of any type, indicate restrictions on dividends under loan or other financing arrangements or otherwise:

2. Current amount of assets available for payment of dividends if deficit must be first made up, show deficit in parenthesis): \$

PLAN OF DISTRIBUTION

The offering of the 50,000,000 shares of our Common Stock is a "best efforts" offering, which means that our directors and officers as well as any agents we engage will use their best efforts to sell the shares offered in this Offering Statement. There is no minimum number of shares required to be sold to close the offering. The offering period will be open for 120 days and our management at their sole discretion may terminate the offering at any time prior to the expiration of the initial 120 days of the offering. Our management at their sole discretion may extend the period for an additional 120 days of the offering if not all 50,000,000 shares are sold at the end of the initial 120-day offering period. This is a direct participation offering since we, and not an underwriter, are offering the shares. Andy Khanna, our President and CEO will be responsible for selling our offering to the public in the United States.

21. The selling agents (that is, the persons selling the securities as agent for the Company for a commission or other compensation) in this offering are:

Answer: There are currently no selling agents or finders involved in the offering.

22. Describe any compensation to selling agents or finders, including cash, securities, contracts or other consideration, in addition to the cash commission set forth as a percent of the offering price on the cover page of this Offering Circular. Also indicate whether the Company will indemnify the selling agents or finders against liabilities under the securities laws. ("Finders" are persons who for compensation act as intermediaries in obtaining selling agents or otherwise making introductions in furtherance of this offering.)

Answer: There are currently no selling agents or finders involved in the offering.

23. Describe any material relationships between any of the selling agents or finders and the Company or its management. Note: After reviewing the amount of compensation to the selling agents or finders for selling the securities, and the nature of any relationship between the selling agents or finders and the Company, a potential investor should assess the extent to which it may be inappropriate to rely upon any recommendation by the selling agents or finders to buy the securities.

Answer: See Above.

24. If this offering is not being made through selling agents, the names of persons at the Company through which this offering is being made:

Name: **Andy Khanna**

Address: **2150 Trade Zone Blvd, Suite 203, San Jose, CA 95131**

Telephone No.: **(408) 927-6200**

25. If this offering is limited to a special group, such as employees of the Company, or is limited to a certain number of individuals (as required to qualify under Subchapter S of the Internal Revenue Code) or is subject to any other limitations, describe the limitations and any restrictions on resale that apply:

Answer: The offering is not limited to a special group.

Will the certificates bear a legend notifying holders of such restrictions? ☐ Yes ☒ No

26. (a) Name, address and telephone number of independent bank or savings and loan association or other similar depository institution acting as escrow agent if proceeds are escrowed until minimum proceeds are raised:

Answer: There is currently no independent bank or savings and loan association or depository institution acting as an escrow agent. Nor is there any minimum amount of proceeds required of this offering.

(b) Date at which funds will be returned by escrow agent if minimum proceeds are not raised:

Answer: See Above.

Will interest on proceeds during escrow period be paid to investors? ☐ Yes ☐ No

Answer: Not Applicable.

27. Explain the nature of any resale restrictions on presently outstanding shares, and when those restrictions will terminate, if this can be determined:

Answer: Certain of our Common Shares currently outstanding may be restricted under applicable securities rules.

Note: Equity investors should be aware that unless the Company is able to complete a further public offering or the Company is able to be sold for cash or merged with a public company that their investment in the Company may be illiquid indefinitely.

DIVIDENDS, DISTRIBUTIONS AND REDEMPTIONS

28. If the Company has within the last five years paid dividends, made distributions upon its stock or redeemed any securities, explain how much and when:

We have not historically paid a dividend on our common stock, cash or otherwise, and do not intend to do so in the foreseeable future.

OFFICERS AND KEY PERSONNEL OF THE COMPANY

29. Chief Executive Officer: Title: President & CEO

Name: **Nand (Andy) Khanna** Age: 71

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131.** Telephone No.: **408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities. Education (degrees, schools, and dates):

- **Andy Khanna brings to Sonasoft over 25 years of senior management in the high tech sector with a background in sales. Andy started his high tech career at NCR Corporation and Control Data, where he was recognized for his sales achievements. In his first nine months at Control Data, Andy was presented the Bill Norris Shark Club Award for regional sales. In the early 80's, Andy quickly earned his startup stripes where he built a company, Univation, from scratch and took the company public. At Univation, he was the CEO, President, and Chair, as well as one of the first Indo-Americans to take a company public in Silicon Valley. After Univation, Andy's ability to innovate led him to**

become President of Datus, Inc., a startup division of Daewoo, where he built, managed, and lead team of engineering, marketing, sales and operational professionals from scratch. It is there that Andy invented the Route Finder PNA, the first, handheld portable car navigation system (GPS). It was the first third-party consumer device that utilized Microsoft Windows CE OS. Mr. Bill Gates introduced the Route Finder PNA at the Consumer Electronics Show in Las Vegas in January 1998. Inspired from his experience from working with the Microsoft team, Andy decided that his next start up would focus on software solutions based around Microsoft Business Software. In 2003, Andy founded Sonasoft. Sonasoft's first products were for backup, recovery, and replication of Microsoft SQL Server and Microsoft Exchange Server, and evolved into email archiving solutions for Microsoft Exchange Server. Sonasoft is a Microsoft Gold Certified Partner. Andy holds a BS in Business and Marketing from the University of San Francisco and an MBA from Golden Gate University.

Also a Director of the Company ☒ Yes ☐ No

Indicate amount of time to be spent on Company matters if less than full time: x

30. Chief Operating Officer: Title: President

Name: **Nand (Andy) Khanna** Age: 71

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities. Education (degrees, schools, and dates):

- [Discussed Above]

Also a Director of the Company ☐ Yes ☒ No

Indicate amount of time to be spent on Company matters if less than full time:

31. Chief Financial Officer: Title: **Interim Chief Financial Officer**

Name: **Subhash Sachdev** Age: 61

Office **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Over 20 years of experience in the preparation and consolidation of US and International subsidiaries financial statements in compliance with US GAAP and financial management.

Also a Director of the Company ☐ Yes ☒ No

Indicate amount of time to be spent on Company matters if less than full time: **5-10 hours per week**

- **Mr. Sachdev is currently the VP & Corporate Secretary of Sysorex Consulting, Inc, where he oversees the preparation of US financial statements in compliance with GAAP. In addition, from 2001 to 2006 he served as the CFO of Pointred Technologies, Inc. From 1994 until 2001, Sachdev was the Director of Finance of Sysorex International, Inc. Sachdev received his FCA from the Indian Institute of Chartered Accountants, his CPA from the American Institute of CPA, his MBA in Taxation from Golden Gate University, and his CMA from the American Institute of Management Accountant.**

32A. Other Key Personnel: Title: Secretary

Name: **Jim Gilmer** Age: 71

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities. Education (degrees, schools, and dates):

- **Jim has contributed to the creative application of technology to solve business problems throughout his professional experience. Jim was a co-founder and early acting CFO of G2Planet, Inc., an innovative provider of technology solutions that help enterprises obtain a maximum value from hosting and attending events. Prior to that Jim led Navigation Technologies Corporation in pioneering the use of digital map data in mobile and web based applications. These efforts sparked the current smart phone and internet road navigation products that are in popular use today. In 25 years with IBM, Jim held a variety of sales and marketing management positions in the US and Asia. There his efforts contributed to sales and implementations of a first of its kind Geographic Information System, early Data Base Systems, the first IBM minicomputers and the initial Personal Computer roll out. Jim holds a Master's Degree in Mathematics from the University of Illinois and an Executive MBA from the University of San Francisco.**

Also a Director of the Company ☐ Yes ☒ No

Indicate amount of time to be spent on Company matters if less than full time: **About 10-20 Hours per week**

32B. Other Key Personnel: Title: CTO & VP of Engineering

Name: **Bilal Ahmed** Age: **42**

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities. Education (degrees, schools, and dates):

- **Bilal Ahmed is the main software architect of all Sonasoft's software products and leads the company's global engineering team in the development, delivery and maintenance of those products. With over 18 years of experience and several patents pending, Bilal is a technology leader with an entrepreneurial mindset. Achievements include successful product management, product strategy, software architecture, and innovative product development across start-ups and Fortune 500 corporations. His goal is to excel at understanding the latest technology trends, and incorporating these to address business problems and opportunities. Bilal has initiated and developed system and database monitoring and reporting software for IBM small to medium sized customers and managed database servers globally for William Mercer Canada, Marsh & McLennan Company. Bilal was a key leader in developing the industry's first private online degree audit system while at University Planet. He led the development of the first private Internet Service Provider and the first proprietary Airline Reservation software in Pakistan. Bilal holds a Bachelor's degree in Computer Systems Engineering from NED University of Engineering and Technology.**

Also a Director of the Company [] Yes [x] No

32C. Other Key Personnel: Title: VP of Client Services

Name: **Neil Kumar Khanna** Age: **41**

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities. Education (degrees, schools, and dates):

- **Neil Kumar has over 14 years High Tech experience in corporate operations, information systems, customer support, quality, finance, and human resources management. Prior to co-founding Sonasoft, Neil Kumar was a co-founder and VP of Operations at Fastcenter, a database protection company focused on automated disaster recovery for Oracle databases and flat files. At Fastcenter, he managed technical operations, human resources, and finance. Also, Neil setup and managed relationships with Oracle and other software and hardware vendors. Prior to Fastcenter, he served as VP of Operations at Intraport, Inc. a software development and consulting company. At Intraport, Neil created strategic partnerships and provided services to HP, SUN, Cisco, NEC, and Charles Schwab. Before becoming VP of Operations, Neil served as the Director of Operations overseeing the information systems, finance, human resources, administration, and customer support. Mr. Kumar holds a B.S. degree in Information Systems Management from the University of San Francisco.**

Also a Director of the Company [] Yes [x] No

The term "key personnel" means persons such as vice presidents, production managers, sales managers, or research scientists and similar persons, who are not included above, but who make or are expected to make significant contributions to the business of the Company, whether as employees, independent contractors, consultants or otherwise.

DIRECTORS OF THE COMPANY

33. Number of Directors: 3

If Directors are not elected annually, or are elected under a voting trust or other arrangement, explain:

Our directors are elected annually.

34. Information concerning outside or other Directors (i.e. those not described above):

A) Name: **Andy Khanna** Age: **71**

Title: Director

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131. Telephone No.: 408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Education (degrees, schools, and dates): [Discussed Above]

B) Name: **Dr. Romesh K. Japra, M.D., F.A.C.C.** Age: 62

Title: Chairman of the Board of Directors

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131.** Telephone No.: **408-708-4000**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Education (degrees, schools, and dates):

- **Dr. Japra has a distinguished career in the field of medicine for over three decades. Currently he is the President of Cardiology Associates, Fremont, CA. He has also held various positions including Chief of Staff, Chief of Medicine, President and Secretary at various hospitals and organizations across the U.S. He has been active in the High Tech industry and has funded many startup companies. Dr. Japra has been an active member of the community in the Bay Area in general and the Indian American Community in particular. He has organized and contributed to numerous charity organizations and events across the globe. Dr. Japra has received numerous awards and honors during his illustrious career including Presidential Meritorious Award, Pride of India Gold Medal, Best Immigrant Award, Physician's Recognition Award and many others. He is also active in the publishing industry and at present is the Publisher & CEO India Post Weekly, India Post TV and India Web Post. Dr. Japra is Fellow of the American College of Cardiology and graduated from All India Institute of Medical Sciences, New Delhi, India.**

C) Name: **Romi Randhawa** Age: 45

Title: Director

Office Street Address: **2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131.** Telephone No.: **408-708-4000**

Mr. Randhawa is currently President and Chief Executive Officer of HPM Networks a provider of value-added Infrastructure Solutions through a combination of consulting, products and services based in Fremont California. He has a degree in business from Columbia College.

35. (a) Have any of the Officers or Directors ever worked for or managed a company (including a separate subsidiary or division of a larger enterprise) in the same business as the Company? [X] Yes [] No Explain:

Our President and CEO, Andy Khanna previously served as the CEO, President, and Chair, of Univation. After Univation, Andy later became President of Datus, Inc., a startup division of Daewoo, where he built, managed, and lead team of engineering, marketing, sales and operational professionals from scratch. And, in 2003, Andy founded Sonasoft.

Director, Mr. Romi Rondhawa, is currently President and Chief Executive Officer of HPM Networks a provider of value-added Infrastructure Solutions through a combination of consulting, products and services based in Fremont California.

Also, Neil Kumar, our VP of Client Services and Operations has previously worked for and had management duties at companies in similar businesses. Prior to co-founding Sonasoft, Neil Kumar was a co-founder and VP of Operations at Fastcenter, a database protection company focused on automated disaster recovery for Oracle databases and flat files. At Fastcenter, he managed technical operations, human resources, and finance. Prior to Fastcenter, Neil served as VP of Operations at Intraport, Inc. a software development and consulting company. At Intraport, Neil created strategic partnerships and provided services to HP, SUN, Cisco, NEC, and Charles Schwab. Before becoming VP of Operations, Neil served as the Director of Operations overseeing the information systems, finance, human resources, administration, and customer support.

(b) If any of the Officers, Directors or other key personnel have ever worked for or managed a company in the same business or industry as the Company or in a related business or industry, describe what precautions, if any, (including the obtaining of releases or consents from prior employers) have been taken to preclude claims by prior employers for conversion or theft of trade secrets, know-how or other proprietary information.

See Section Above

(c) If the Company has never conducted operations or is otherwise in the development stage, indicate whether any of the Officers or Directors has ever managed any other company in the start-up or development stage and describe the circumstances, including relevant dates.

The Company has conducted operations in the past and continues to do so.

(d) If any of the Company's key personnel are not employees but are consultants or other independent contractors, state the details of their engagement by the Company.

Our Interim Chief Financial Officer is part-time consultant and other key personnel are full time employees.

The Company does not have any key personnel other than those discussed throughout the Offering Statement and all of these employees are direct employees of the Company.

(e) If the Company has key man life insurance policies on any of its Officers, Directors or key personnel, explain, including the names of the persons insured, the amount of insurance, whether the insurance proceeds are payable to the Company and whether there are arrangements that require the proceeds to be used to redeem securities or pay benefits to the estate of the insured person or a surviving spouse.

The Company does not have any key man life insurance policies on any of its Officers, Directors, or Key Personnel at this time.

36. If a petition under the Bankruptcy Act or any State insolvency law was filed by or against the Company or its Officers, Directors or other key personnel, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of any such persons, or any partnership in which any of such persons was a general partner at or within the past five years, or any corporation or business association of which any such person was an executive officer at or within the past five years, set forth below the name of such persons, and the nature and date of such actions.

To the best of our knowledge, none of our directors, executive officers, or key personnel has, during the past five years:

- **had any petition under the Bankruptcy Act or any State insolvency law filed by or against the Company or its Officers, Directors or other key personnel, or**
- **had a receiver, fiscal agent or similar officer appointed by a court for the business or property of any such persons, or any partnership in which any of such persons was a general partner at or within the past five years, or**
- **had any corporation or business association of which any such person was an executive officer at or within the past five years**

Note: After reviewing the information concerning the background of the Company's Officers, Directors and other key personnel, potential investors should consider whether or not these persons have adequate background and experience to develop and operate this Company and to make it successful. In this regard, the experience and ability of management are often considered the most significant factors in the success of a business.

PRINCIPAL STOCKHOLDERS

37. Principal owners of the Company (those who beneficially own directly or indirectly 10% or more of the common and preferred stock presently outstanding) starting with the largest common stockholder. Include separately all common stock issuable upon conversion of convertible securities (identifying them by asterisk) and show average price per share as if conversion has occurred. Indicate

The following table sets forth, as of August 6, 2012, certain information regarding the beneficial ownership of Common Stock by (i) each person who is known by the Company to own beneficially more than ten (10) percent of the outstanding Common Stock, and (ii) each director and executive officer of the Company:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class (1)
Common Stock	Andy Khanna President, CEO, Director	8,350,000	10.3%
Common Stock	Garrett Rajkovich Former Director	4,220,000	5.2%
Common Stock	Dr. Romesh K. Japra, M.D., F.A.C.C. Chairman of the Board	6,250,000	7.7%
Common Stock	Harikiran Randhawa & Trust Director	6,980,889	8.6%
Common Stock	Neil Kumar Khanna Vice President of Operations	1,725,000	1.36%

(1)The percent of class is based on 81,141,999 shares of common stock issued and outstanding as of August 6, 2012

38. Number of shares beneficially owned by Officers and Directors as a group:

Before offering: 22,680,889 shares (27.95% of total outstanding)

After offering: a) Assuming minimum securities sold: 22,680,889 shares (27.95% of total outstanding)

b) Assuming maximum securities sold: 22,680,889 shares (17.30% of total outstanding)

(Assume all options exercised and all convertible securities converted.)

MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION

39. (a) If any of the Officers, Directors, key personnel or principal stockholders are related by blood or marriage, please describe.

Our President and Chief Executive Officer, Andy Khanna is the father of Neil Kumar Khanna, a Vice President of the Company's.

(b) If the Company has made loans to or is doing business with any of its Officers, Directors, key personnel or 10% stockholders, or any of their relatives (or any entity controlled directly or indirectly by any such persons) within the last two years, or proposes to do so within the future, explain. (This includes sales or lease of goods, property or services to or from the Company, employment or stock purchase contracts, etc.) State the principal terms of any significant loans, agreements, leases, financing or other arrangements.

On December 19, 2008, the company issued a promissory note (the "Note") to Director Romesh Japra for cash received of \$500,000 on terms of 10% interest per year. The Note was payable 36 months after issuance. In conjunction with the issuance of the Note, the company granted warrants to Japra granting him the right to purchase 2,272,727 shares of common stock for \$0.22 each. The Note was secured by all personal property owned by the Company, including intellectual property, patents, goods, and accounts receivable. A UCC filing statement was filed with the State of California. The Company is not current on its payments under the Note, but as Dr. Japra is the Chairman of the Board of Directors, he has not taken any action under the Note.

(c) If any of the Company's Officers, Directors, key personnel or 10% stockholders has guaranteed or co-signed any of the Company's bank debt or other obligations, including any indebtedness to be retired from the proceeds of this offering, explain and state the amounts involved.

None of the Company's officers, directors, key personnel, or 10% stockholders has guaranteed or co-signed any of the Company's bank debt.

40. (a) List all remuneration by the Company to Officers, Directors and key personnel for the last fiscal year:

SUMMARY COMPENSATION TABLE

Sonasoftware Inc.
Compensation & Stock Options
FYE Dec 31, 2011

Employee / Officer	Salary	Paid	Accrual	Stock Options Granted
Nand (Andy) Khanna	\$150,000	\$25,000	\$125,000	2,000,000
Bilal Ahmed	\$120,000	\$94,665	\$25,335	1,000,000
Neil Khanna	\$120,000	\$96,667	\$23,333	1,000,000
Mike Khanna	\$90,000	\$34,924	\$55,076	1,000,000
Pat Kelley	\$0	\$0	\$0	300,000
Dr Romesh Japra	\$0	\$0	\$0	0
Total Compensation & Option	\$480,000	\$251,256	\$228,744	5,300,000

(b) If remuneration is expected to change or has been unpaid in prior years, explain:

See Chart Above for an overview of unpaid remuneration. The Company does not expect to change remuneration going forward.

(c) If any employment agreements exist or are contemplated, describe:

Andy Khanna, Bilal Ahmed, Neil Khanna and Mike Khanna are the only employees that have employment agreements with the company.

Andy Khanna is under contract until January 2009, since extended to December 2016, as the President and Chief Executive Officer of the Company. He is due \$12,500 per month and his salary accrues when it remains unpaid by the Company. He has agreed to keep all confidential information undisclosed during and after his employment with the Company.

Bilal Ahmed is under contract until January 2009, since extended to December 2016, as the Vice President of Engineering and Chief Technology Officer of the Company. He is due \$10,000 per month and his salary accrues when it remains unpaid by the Company. He has agreed to keep all confidential information undisclosed during and after his employment with the Company.

Neil Khanna is under contract until January 2009, since extended to December 2016, as the Vice President of Operations of the Company. He is due \$10,000 per month and his salary accrues when it remains unpaid by the Company. He has agreed to keep all confidential information undisclosed during and after his employment with the Company.

Mike Khanna is under contract until January 2009, since extended to December 2016, as a Sales Manager with the Company. He is due \$7,500 per month and his salary accrues when it remains unpaid by the Company. He has agreed to keep all confidential information undisclosed during and after his employment with the Company.

41. (a) Number of shares subject to issuance under presently outstanding stock purchase agreements, stock options, warrants or rights: **14,625,000** shares (9.60% of total shares to be outstanding after the completion of the offering if all securities sold, assuming exercise of options and conversion of convertible securities). Indicate which have been approved by shareholders. State the expiration dates, exercise prices and other basic terms for these securities:

The Company has 14,625,000 shares presently outstanding stock options, which represents 10.03% of the outstanding shares of the Company after the successful completion of this offering if all securities are sold pursuant to this Form A-1. All of these options have been approved by our board of directors.

The following table sets forth certain information concerning our outstanding options for all of our option holders as of August 6, 2012.

Outstanding Equity Awards at August 6, 2012

	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
	Exercisable	Unexercisable		
Amit Saini	68,750	0	0.005	12/1/2014
Andy Khanna	100,000	0	0.1	*
	150,000	0	0.01	*
	3,900,000	0	0.005	*
Bilal Ahmed	300,000	0	0.01	*
	1,675,000	0	0.005	*
Imtinan Hussain	225,000	0	0.005	12/1/2014
Markand Rajavasireddo	156,250	0	0.005	12/1/2014
Mike Khanna	250,000	0	0.01	*
	1,381,250	0	0.005	*
Neil Khanna	250,000	0	0.01	*
	1,475,000	0	0.005	*
Paresh Mehta	187,500	0	0.005	*
Robert Serafini	437,500	0	0.005	12/1/2014
Doug []	500,000	0	0.005	12/1/2014
Rick Caylor	300,000	0	0.005	12/1/2014
Vas Srinivasan	250,000	0	0.01	*
	280,000	0	0.005	12/1/2014
Adnan Khan	200,000	0	0.005	12/1/2014
Kirk Erickson	130,000	0	0.005	12/1/2014
Ramna Sodhi	85,000	0	0.005	12/1/2014
Bruce []	200,000	0	0.005	12/1/2014
Jim Gilmer	50,000	0	0.01	*
	150,000	0	0.005	*
	250,000	0	0.005	12/1/2014
	250,000	0	0.005	*
W. Patrick Kelly	200,000	0	0.01	*
	370,000	0	0.005	*
	100,000	0	0.1	*
	160,000	0	0.3	*
Subhash Sachdev	500,000	0	0.005	50% on 4/1/2015 50% on 6/12/2015
Hans Van Rietschote	50,000	0	0.01	12/1/2014

	50,000	0	0.005	12/1/2014
Hema Ganapathy	50,000	0	0.01	12/1/2014
	50,000	0	0.005	12/1/2014
Romi Randhawa	50,000	0	0.01	*
	100,000	0	0.005	*
James Kelleher	300,000	0	0.005	12/1/2014
Ashok Mannava	75,000	0	0.1	12/1/2014
Donald Richard	75,000	0	0.005	12/1/2014
Garrett Rajkovich	100,000	0	0.1	12/1/2014
	100,000	0	0.3	12/1/2014
Integramicro	150,000	0	0.3	12/1/2014
MDS Charity	75,000	0	0.1	12/1/2014
PL Malhotra	50,000	0	0.1	12/1/2014
Romesh Japra	150,000	0	0.01	*
	100,000	0	0.1	*
	100,000	0	0.3	*
Stanley Li	50,000	0	0.01	12/1/2014
Sujatha Ganesan	50,000	0	0.01	12/1/2014
Hari Kesavan	50,000	0	0.01	12/1/2014
Wallace Glausi	50,000	0	0.01	12/1/2014
Kannan Ramesh Kumar	100,000	0	0.01	12/1/2014
TOTAL	16,456,250	0		

- All options are fully vested and expire 3 years from date of issuance under presently existing stock options plans or service agreements.

* Denotes options that expire 60 days after leaving the employ of the Company

(b) Number of common shares subject to issuance under existing stock purchase or option plans but not yet covered by outstanding purchase agreements, options or warrants: **14,625,000** shares.

(c) Describe the extent to which future stock purchase agreements, stock options, warrants or rights must be approved by shareholders.

All of our future stock purchase agreements, stock options, warrants or rights must be approved by our board of directors. In addition, the Company is guided by California Corporations Code and Section 2.01 of our Bylaws with respect to actions requiring approval of our shareholders.

42. If the business is highly dependent on the services of certain key personnel, describe any arrangements to assure that these persons will remain with the Company and not compete upon any termination:

The Company does not have any arrangements to assure that key personnel remain with the Company and do not compete upon termination other than those agreements discussed in Item 40(c) above.

Note: After reviewing the above, potential investors should consider whether or not the compensation to management and other key personnel directly or indirectly, is reasonable in view of the present stage of the Company's development.

LITIGATION

43. Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the Company's business, financial condition, or operations, including any litigation or action involving the Company's Officers, Directors or other key personnel. State the names of the principal parties, the nature and current status of the matters, and amounts involved. Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings or litigation and the potential impact on the Company's business, financial condition, or operations.

Besides the litigation listed in the following paragraphs, we are currently not involved in any litigation that we believe could have a materially adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our Company's or our Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

The Company was involved in litigation with a former employee, Vince Khanna ("Khanna"). Khanna alleged that the Company wrongfully terminated him, and that he was not paid his wages and bonus pursuant to written and oral agreements with the Company. Khanna further alleged that he was owed penalties pursuant to the Company's alleged violations of certain California Labor Code sections.

On April 30, 2012, the Company entered into a mutual agreement with Khanna to settle the lawsuit. Pursuant to the settlement agreement, Khanna released the Company from all claims against the Company. In exchange, the Company agreed to grant Khanna an unsecured note. The Note stipulated the following payments from the Company to Khanna:

Amount Paid	Due Date
\$25,000	4/30/10
\$25,000	7/1/10
\$25,000	10/1/10
\$25,000	1/1/11
\$25,000	4/1/11
\$25,000	7/1/11
\$25,000	10/1/11
\$25,000	1/1/12
\$27,000	4/1/12

However, the Company has paid \$119,680.33 of the original obligation of \$227,000.00 to Khanna leaving a principal balance of \$107,319.67. The Company's and Khanna's Counsel are currently attempting to resolve the delayed installment payments, and the principal balance of \$107,319.67 remains due. However, a provision in the original settlement agreement provides for reasonable attorney fees in the event of default. Neither Khanna nor his attorney has motioned for such fees, and according to the Company's litigation counsel, the Company's exposure is no more than \$30,000 to \$40,000 for attorney fees. Using this estimate, the Company's entire exposure regarding this matter is between \$140,000 and \$150,000.

FEDERAL TAX ASPECTS

44. If the Company is an S corporation under the Internal Revenue Code of 1986, and it is anticipated that any significant tax benefits will be available to investors in this offering, indicate the nature and amount of such anticipated tax benefits and the material risks of their disallowance. Also, state the name, address and telephone number of any tax advisor that has passed upon these tax benefits. Attach any opinion or description of the tax consequences of an investment in the securities by the tax advisor.

We are not organized as an S Corporation.

Note: Potential investors are encouraged to have their own personal tax consultant contact the tax advisor to review details of the tax benefits and the extent that the benefits would be available and advantageous to the particular investor.

MISCELLANEOUS FACTORS

45. Describe any other material factors, either adverse or favorable, that will or could affect the Company or its business (for example, discuss any defaults under major contracts, any breach of bylaw provisions, etc.) or which are necessary to make any other information in this Offering Circular not misleading or incomplete.
- a. On December 19, 2008, the company issued a promissory note (the "Note") to Director Romesh Japra for cash received of \$500,000 on terms of 10% interest per year. The Note was payable 36 months after issuance. In conjunction with the issuance of the Note, the company granted warrants to Japra granting him the right to purchase 2,272,727 shares of common stock for \$0.22 each. The Note was secured by all personal property owned by the Company, including intellectual property, patents, goods, and accounts receivable. A UCC filing statement was filed with the State of California.
 - b. On November 1, 2009, the Company issued secured promissory notes (the "Promissory Notes") to three investors. The notes had an aggregate principal amount of \$533,000 and were payable 36 months after issuance. The Promissory Notes have secured by all personal property owned by the Company, including intellectual property, patents, goods, and accounts receivable. A UCC filing statement was filed with the State of California.
 - c. On December 29, 2011, the Company issued 2,614,200 shares of common stock to its current stockholders and employees of the Company. These shares were issued in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended (the "Act"). These shares of our common stock qualified for exemption under Section 4(2) of the Securities Act of 1933 since the issuance shares by us did not involve a public offering.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We undertake to make available to every Investor, during the course of this Offering, the opportunity to ask questions of, and receive answers from us concerning the terms and conditions of this Offering and to obtain any appropriate additional information: (i) necessary to verify the accuracy of the information contained in this Offering Circular, or (ii) for any other purpose relevant to a prospective investment in the Company.

The Company will also provide to each Investor, upon request, copies of the following documents:

- i. Copies of all of our material contracts; and
- ii. An opinion of counsel to the Company as to the legality of the Shares, indicating that they will when sold, be legally issued, fully paid, and non-assessable.

All communications or inquiries relating to these materials or other questions regarding the Company or the Offering should be directed to the Company at 2150 Trade Zone Blvd, Suite 203 San Jose, CA 95131 or 408-708-4000.

FINANCIAL STATEMENTS

46. Provide the financial statements required by Part F/S of this Offering Circular section of Form 1-A.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following selected financial information is derived from the Financial Statements appearing elsewhere in this prospectus and should be read in conjunction with the Financial Statements, including the notes there to, appearing elsewhere in this prospectus.

Profit and Loss				
Summary of Operations	June 30, 2012		2011	2010
	Six Months			
		(unaudited)	(unaudited)	(unaudited)
Total revenues	\$	221,509	301,584	463,761
Net Loss		194,211	719,900	926,248
Net loss per common share (basic and diluted)		-0.0024	-0.014	-0.02
Weighted average common shares outstanding, basic and diluted		81,141,799	50,679,879	45,887,879

As of	
30-Jun-12	
Balance Sheet	(unaudited)
Cash and cash equivalents	\$ 5,440
Total assets	91,752
Total liabilities	3,689,267
Total	
Stockholders' Equity/Deficiency	(3,597,515)
Total Liabilities and Stockholders' Deficiency	91,752

	June 30, 2012	FYE Dec31		2010
	2012	2011		
Revenue	221,508	301,584	\$	463,761
Selling Expenses	(100,644)	(158,802)		(252,137
General and administrative	(204,962)	(203,421)		(310,036
Research and development	(52,712)	(140,917)		(55,911
Total operating expenses	(358,318)	(768,653)		(1,085,828
Operating Loss	(136,810)	(467,069)		(-622,067
Interest expenses	(58,347)	(237,295)		(277,801
Other Expense	946	(-16,235)		(26,380
Loss before minority interest and income taxes	(194,211)	(719,900)		(304,181
Income taxes	-	-		
Minority interest				
Net Loss	(194,211)	(-719,900)	\$	(926,248
Earnings per share – Basic and Diluted	(0.0024)	(0.014)	\$	(-0.020
Weighted average shares outstanding – Basic and Diluted	81,141,799	50,679,879		45,887,879

Balance Sheet

For Year 2010, 2011 & 2012

	As of June 30, 2012	As of Dec 31	As of Dec 31
	2012	2011	2010
ASSETS			
Cash	\$5,440	\$21,722	\$50,210
Accounts Receivable	\$55,330	\$52,869	\$24,421
Other Current Assets	\$18,359	\$7,616	\$9,111
Total Current Assets	\$79,129	\$82,207	\$83,741
Fixed Assets	\$109,010	\$108,923	\$108,923
Accumulated Depreciation	-\$99,025	-\$92,634	-\$79,850
Net Fixed Assets	\$9,985	\$16,289	\$29,073
Other Assets	\$2,638	\$2,638	\$2,638
TOTAL ASSETS	\$91,752	\$101,134	\$115,452

<u>LIABILITIES & EQUITY</u>			
Current Liabilities			
Accounts Payable	\$259,896	\$253,583	\$220,291
Accruals	\$480,508	\$470,807	\$408,047
Other Current Liabilities	\$247,773	\$247,773	\$195,578
Total Current Liabilities	\$988,177	\$972,163	\$823,915
Long Term Liabilities			
Notes Payable	\$1,217,931	\$1,169,426	\$1,052,509
Deferred Compensation	\$1,276,479	\$1,193,813	\$963,944
Other Long Term Liabilities	\$206,680	\$227,465	\$219,462
Total Liabilities	\$3,689,267	\$3,562,867	\$3,059,831
Stockholder's Equity			
Common Stock & Paid in Capital	\$8,978,164	\$8,919,734	\$8,717,188
Retained Earning	-\$12,381,468	\$11,661,568	\$10,735,320
Net Income - Current	-\$194,211	-\$719,900	-\$926,247
Net Stockholder's Equity	-\$3,597,515	-\$3,461,733	-\$2,944,379
<u>Total LIABILITIES & EQUITY</u>	\$91,752	\$101,134	\$115,452

Statement of Cash Flow

For years 2010, 2011 & June 30, 2012

	Jan 1, to June 30, 2012	Jan 1, to Dec 31 2011	Jan 1, to Dec 31 2010
<u>OPERATING ACTIVITIES</u>			
Net Income	(\$194,211)	(\$719,900)	(\$926,247)
Adjustments to reconcile Net Income to net cash provided by operations			
Accounts Receivable	(\$2,461)	(\$28,448)	\$50,895

Prepaid Rent , Interest & Deposit	\$0	\$0	\$51,256
Accounts Payable	\$6,313	\$33,293	(\$31,491)
Accrued Payable	\$0	(\$60,680)	(\$22,789)
Accrued Interest & Vacation Pay	\$9,701	\$123,440	\$81,232
Notes Payable	\$48,505	\$119,530	\$174,709
Unearned Maintenance Contracts	\$0	\$37,416	\$14,835
Other Operating items	(\$12,927)	\$15,845	(\$144,379)
Net cash provided by Operating Activities	(\$145,080)	(\$479,505)	(\$751,979)
<u>INVESTING ACTIVITIES</u>			
Accumulated Depreciation	\$6,303	\$12,784	\$3,646
Net Cash Provided by Investing Activities	\$6,303	\$12,784	\$3,646
<u>FINANCING ACTIVITIES</u>			
Accrued Remuneration	\$82,667	\$229,868	\$175,692
Royalty Liability	(\$7,282)	\$15,885	\$23,980
Lease Equipment	(\$14,184)	(\$7,882)	(\$5,995)
Issuance of Common stock	\$59,110	\$202,546	\$310,100
Net cash provided by Financing Activities	\$120,311	\$440,417	\$503,777
Net Cash Increase for period	(\$18,466)	(\$26,303)	(\$244,556)
Cash at beginning of Period	\$23,906	\$50,210	\$294,766
Cash at end of Period	\$5,440	\$23,906	\$50,210

Statement of Stockholder's Equity
For years 2010, 2011 & June 30, 2012

(Unaudited)

	As of June 30, 2012	As of Dec 31 2011	As of Dec 31 2010
Beg. Balance	(\$3,461,733)	(\$2,962,379)	(\$2,346,232)
Net Income			
from Jan 1 thru June 30, 2012	(\$194,211)	(\$719,900)	(\$926,247)
Common Stock - Addition	\$59,110	\$220,546	\$310,100
other Adjustment	(\$680)	\$0	\$0
Ending Balance	(\$3,597,515)	(\$3,461,733)	(\$2,962,379)

SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION**(A) Organization**

SONASOFT CORPORATION, Inc. (The "Company") was incorporated under the laws of the State of California on December 18, 2002. The Company develops software that automates the disk-to-disk backup and recovery process for Microsoft Exchange, SQL and Windows Servers with integrated data protection, IM and e-mail archiving and disaster recovery solutions.

The unaudited financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United State of America for annual financial statements. However, the information included in these interim financial statements reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full year.

(B) Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates.

(C) Cash and Cash Equivalents

For purposes of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. The Company at times has cash in banks in excess of FDIC insurance

limits and places its temporary cash investments with high credit quality financial institutions. At June 30, 2012, the Company had approximately \$5,440 in cash balances at financial institutions which are within the FDIC insured limits.

(D) Loss per Share

Basic and diluted net loss per common share is computed based upon the weighted average common shares outstanding as defined by Financial Accounting Standards No. 128, "Earnings per Share." As of June 30, 2012, there were 81,141,799 common shares outstanding (excluding the options not yet exercised). Common stock equivalents have been excluded from the diluted net loss per share as the amounts are anti diluted.

(E) Research and Development Costs

The Company expenses all research and development costs as incurred for which there is no alternative future use. These costs also include expensing of employee compensation and employee stock based compensation.

(F) Income Taxes

The Company accounts for income taxes under the Statement of Financial Accounting Standards Board Statement of Financial Accounting Standard NO. 109, "Accounting for Income Taxes" ("Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

(G) Revenue Recognition

Revenue is recognized when earned in accordance with applicable accounting standard, including SOP 97-2, as amended. Revenue from software arrangements with end users is recognized upon final delivery of the software, provided that collection is probable and no significant obligations remain. Maintenance arrangement revenue is deferred and recognized over the service period.

(H) Property & Equipment

We record our property and equipment at cost and depreciate these assets on a straight-line basis to their estimated residual values over their estimated useful lives of 3 to 7 years.

(I) Stock-Based Compensation

The Company accounts for its stock-based compensation under the provisions of SFAS No.123(R) "Accounting for Stock Based Compensation." Under SFAS No. 123(R), the Company is permitted to record expenses for stock options and other employee compensation plans based on their fair value at the date of grant. Any such compensation cost is charged to expense on a straight-line basis over the periods the options vest. If the options had cashless exercise provisions, the Company utilized variable accounting.

Common stock, stock options and common stock warrants issued to other than employees or directors are recorded on the basis of their fair value, as required by SFAS No. 123(R), which is measured as of the date required by EITF Issue 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services." In accordance with EITF 96-18, the stock options or common stock warrants are valued using the Black-Scholes model on the basis of the market price of the underlying common stock on the "valuation date," which for options and warrants related to contracts that have substantial disincentives to non-performance is the date of the contract, and for all other contracts is the vesting date. Expense related

to the options and warrants is recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period. Where expense must be recognized prior to a valuation date, the expense is computed under the Black-Scholes model on the basis of the market price of the underlying common stock at the end of the period, and any subsequent changes in the market price of the underlying common stock up through the valuation date is reflected in the expense recorded in the subsequent period in which that change occurs.

(J) Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments including accounts receivable, accounts payable and accrued expenses approximate their fair value due to the relatively short period to maturity for these instruments.

(K) Business Segments

The Company operates in one segment and therefore segment information is not presented.

(L) Advertising Costs

Advertising costs are expensed as incurred and include the costs of public relations activities. These costs are included in selling, general and administrative expenses and totaled \$3,230 in the six months ended June 30, 2012.

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

(M) Identifiable Intangible Assets

As of June 30, 2012, \$2,638 of costs related to filing patent applications has been capitalized. When patents are approved, the costs are amortized over the life of the patent. All costs for patents not approved will be expensed at that time of denial.

(N) Long-Lived Assets

Long-lived assets and certain identifiable intangible assets related to those assets are periodically reviewed for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. If the non-discounted future cash flows of the enterprise are less than their carrying amount, their carrying amounts are reduced to fair value and an impairment loss is recognized. There was no impairment recorded in 2010 and 2011.

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 2 GOING CONCERN

As reflected in the accompanying financial statements, the Company has a net accumulated loss of (\$ 12,575,679), a working capital deficiency of (\$909,048) and a stockholders' deficiency of (\$3,597,515) at June 30, 2012. This raises substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management believes that actions presently being taken to obtain additional funding and to implement its strategic sales plan provide the opportunity for the Company to continue as a going concern.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2008 consisted of the following:

	AS of June 30, 2012
Trade and other receivables	\$ 55,330
Less: Allowance for doubtful accounts	-
	<u>\$ 55,330</u>

The bad debt expense for the six months ended June 30, 2012 was \$0.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2012 consisted of the following:

	2012
Office equipment	\$ 20,721
Office furniture	1,821
Leasehold improvements	7,588
Computer equipment	78,881
Less: Accumulated depreciation	99,025
	<u>\$ 9,986</u>

Depreciation expense for the six months ended June 30, 2012, was \$6,391.

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 5 STOCKHOLDERS' EQUITY

(A) Common Stock Issued for Cash

During the quarter ended March 31, 2012, the Company issued 1,000,000 shares of common stock for cash for \$ 5,000.

During the quarter ended June 30 2012, the Company did not issue any shares of common stock for cash.

(B) Common Stock Issued for Services

During the quarter ended March 31, 2012, the Company did not issue any of common stock for services provided by consultants for services..

During the quarter ended June 30, 2012, the Company did not issue any of common stock for services provided by consultants for services.

NOTE 6 STOCK OPTION PLAN

Effective January 1, 2006, transactions under the Company's 2003 Plan (as defined below) were accounted for in accordance with the recognition and measurement provisions of SFAS no. 123 (revised), "Share-Based Payment", which replaces SFAS No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. SFAS No. 123(R) requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within SEC Staff Accounting Bulletin No. 107, which provides the views of the staff of the SEC regarding the interaction between SFAS No. 123(R) and certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

In adopting SFAS No. 123(R), the Company applied the modified prospective approach to transition. Under the modified prospective approach, the provisions of SFAS No. 123(R) are applied to new awards and to awards modified, repurchased, or cancelled after the effective date. Additionally, compensation costs for the portion of awards for which the requisite service has not been rendered that are outstanding as of the effective date are recognized as the requisite services are rendered on or after such date. The compensation costs for that portion of awards are based on the grant-date fair value of those awards as calculated for either recognition of pro-forma disclosures under SFAS No. 123.

Stock option compensation expense for the quarter ending June 30, 2012 is the estimated fair value of options granted, amortized on a straight line basis over the requisite service period for the entire portion of the award.

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SONASOFT CORP.
JUNE 30, 2008
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

Black-Scholes Valuation

The fair value of options at the date of grant is estimated using the Black Scholes option pricing model. The assumptions made in calculating the fair values of options are as follows:

	For the quarter ended June 30, 2012
Expected term (in years)	3
Expected volatility	25% to 78%
Rick-free interest rate	1.79% to 3.05%

There were Nil stock option awards granted during the quarter ended June 30, 2012.

Plan Information

In February 2003, the 2003 Incentive and Non-Statutory Stock Option Plan was approved and adopted by the Board of Directors. The 2003 Plan became effective upon the approval of the holders of the Company's stock at the Company's annual stockholders meeting held on June 4, 2003. Under the 2003 Plan, the Company may grant stock options to its employees, officers, and other key persons employed or retained by the Company and any non-employee director, consultant, vendor or other individual having a business relationship with the Company. Options are granted at various times and usually vest over a thirty-six (36) month period. As of June 30, 2012 the Company had total options pursuant to the 2003 Plan of 16,456,250.

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

Exercise Price	Number Outstanding June 30, 2012	Average exercise Price
.000-.005	13,071,250	0.005
.005-.01	2,175,000	0.01
.10-.30	1,210,000	0.2008
	<u>16,456,250</u>	

NOTE 7 COMMITMENTS AND CONTINGENCIES

(A) Employment Agreement

The company has entered into an employment agreement with its Chief Executive Officer through the year 2012 at an annual minimum salary of \$150,000 per year, with additional fringe benefits as determined by the Board of Directors. In the event of termination of the agreement by the company, the company is required to pay a severance payment equivalent to 60 months of salary at the rate, and with the benefits, in effect at the date of termination.

The company has also entered into similar agreements each extending through the year 2009 with four other employees/managers at an average annual salary of \$120,000. In the event of termination of the agreement by the company, the company is required to pay a severance payment equivalent to 12 months of salary at the rate, and with the benefits, in effect at the date of termination.

(B) Product Development/Royalty Agreement

In November 2007, the Company entered into a product development agreement with a software development company (developer). Under the terms of the agreement, the developer will be entitled to a royalty based on 10% of net sales of the product developed until such time as two hundred percent (200%) of the actual project cost has been cumulatively received by the developer. After such time, the developer would receive 5% of net sales of the product developed until such time as an additional three hundred percent (300%) of the actual project cost has been cumulatively received by the developer, resulting in a total payment to the developer of five hundred percent (500%) of the actual project cost. At a point in time in the future that five hundred percent (500%) of the actual project cost has been received by the developer, no further royalties shall be owed. The Company owes no liability to the developer in respect to the product developed until the release of the product which is estimated to be in Sept of 2009.

(C) Royalty Agreement

During the year 2003 the company entered into royalty agreements with investors. The maximum liability under the agreement will be \$1,500,000. The maximum amount due to investors in each year will be 5% of revenue up to a total of \$1,500,000. Such premium is payable only if management of the Company reasonably determines that the company is profitable. Accordingly, in accordance with the signed royalty agreements, the Company is accruing the royalty premium at 5% of revenue. As of June 30, 2012, \$219,149 has been accrued.

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SONASOFT CORP.
JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

(D) Lease Agreement

The company has entered into a lease agreement for an office building, the lease period ends on Feb 28, 2013. The annual rent payable under lease is \$ 60, 000 , the rental amount due until the lease period ends is \$40,000.

(E) Employment Related Lawsuit

In 2006, an ex-employee filed a lawsuit against the Company for wrongful termination. The Company has accrued a tentative settlement with the ex-employee for the payment of \$152,500 in cash and an additional \$25,000 worth of the Company stock as of December 31, 2007. As of June 30, 2012 Company had made payments towards the settlement, the legal case is still pending and contested in Santa Clara County Court.

NOTE 9 CONVERTIBLE NOTE PAYABLE – RELATED PARTY

In 2007, the Company entered into a convertible note agreement with its landlord who is also a director. The note is convertible into common stock at \$0.30 per share at the election of the note holder. The value of the conversion option is equal to recent cash offering prices and no beneficial conversion was recognized in accordance with EITF 98-5 and EITF 00-19. The Company has also long term loan from its Director, the monthly interest on notes is being accrued but not paid

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Net Revenue:

Due to change in product strategy the revenue declined in 2011 as compared to 2010 by 35%. The company has focused into e-mail archiving e-mails, market required governmentt agencies to keep records. As evidence or disaster recovery or safe guard information for future usage.

Selling Expenses:

Selling expenses decreased by \$93,335, or 37% from \$252,137 in year ending Dec 31, 2010, to \$158,802 in the year ending Dec 31, 2011, primarily due to cost control measures that were put in place in January 2011.

General and Administrative Expenses:

General and administrative expenses decreased by \$106,615 or 34% from \$310,036 in the year ending December 31, 2010 to \$203,421 for the year ending December 31, 2011. The increase of these expenses was primarily spending related to hiring additional support staff and other related expenses.

Research and Development:

Research and development increased \$85,006 from \$55,911 in the year ending December 31, 2011 to \$140,917. It consists primarily of salaries and related expenses of personnel engaged in research and development activities. The Company has ramped up its product development activities at Integra Micro Ltd, Bangalore.

Income from Operations:

Operating loss decreased \$206,348 or 22% from \$926,248 in the year ending Dec 31, 2010 to \$719,900 in the year ending Dec 31, 2011, primarily due to reduction in operating expenses.

Income Taxes:

In lieu of the losses in the past and current years, there is no tax liability.

Net Loss:

Net loss was \$719,900 year ending Dec 31, 2011, compared to \$926,248 for the year ending Dec 31, 2010, a decrease of \$206,348, or 22%, mainly due to the additional costs incurred for operations expansion and General and Administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was (\$479,505) for year ending Dec 31, 2011, compared to (\$751,979) for the year ending Dec 31, 2010, The negative cash flow reduce due to control over expenses.

The issuance of shares for services or cash was \$202,546 for year ending Dec 31, 2011 as compared to \$310,100 in the year ending Dec 31, 2010

Net cash used in investing activities was \$12,784 for year ending Dec 31, 2011, compared to \$3,646 for the year ending December 31, 2010.

Net cash provided by financing activities was \$440,417 for the year ending December 31 2011, compared to \$503,777 December 31, 2010.

Over the next 12 months, the company expects an increase in accounts receivable and payables & accrued expenses. In normal course of business, the company does not expect to pay related parties and officers' liability until the company becomes profitable and the Board decides to that effect. Currently, the company is using \$120,000 cash per quarter. The company is working towards increasing sales and receivable for its archiving product which very well accepted by market, end user except the company needs funding for marketing and sales.

Year 2012 (Six Months Ending June 30)

The company existing product email archiving sold \$221, 509 in first six months of 2012. The company product has potential to increase revenue since Sonasoft is selling e-mail storage and archiving as standalone fully loaded appliance, the solution has found in roads to school district, commercial establishments, cities/counties and financial institutions. The company net loss for first six months was \$194,211 on accrual basis includes interest payable on long-term notes from stockholder, deferred salaries and depreciation. The company sold and issued common shares to its existing shareholders and employees. The company has net negative shareholder equity of \$ 3,597,515.

SUBSEQUENT EVENT

Date of this Preliminary Offering Circular: September __, 2012

In April 2012, the board decided to offer company common stock to employees, existing stock holders and consultants for purchase in order to improve liquidity and support the current sales level.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CERTAIN RELEVANT FACTORS

47. If the Company's financial statements show losses from operations, explain the causes underlying these losses and what steps the Company has taken or is taking to address these causes.

The Company had losses from operations during its last fiscal year. There are three primary causes underlying these losses and the Company has taken steps to address these causes. First, the Company had a product problem with their older product line. The Company used to focus its efforts on backup and recovery of hard drives. This product has become outdated and the Company has had difficulty selling this product. As a result, in 2008 the Company lost revenues. Realizing the Company was in financial trouble, management decided to change its focus to the archiving product line. Second, instead of focusing our efforts on the older product, the Company is now planning on focusing all marketing and sales efforts on the new product. Lastly, the Company was involved in litigation over the last two fiscal years and spent a great deal of time, effort and money defending and responding to the allegations. See the section on Litigation above. As a result of the litigation, the Company had to terminate some of its employees, which further hurt the Company's sales and marketing efforts.

The new archiving product line has begun to sell better since 2011 and has shown a trend in growth. The Company expects sales to continue to grow as a result of the new product. The Company plans to begin developing a heavy marketing initiative with a successful offering under this offering circular.

48. Describe any trends in the Company's historical operating results. Indicate any changes now occurring in the underlying economics of the industry or the Company's business which, in the opinion of Management, will have a significant impact (either favorable or adverse) upon the Company's results of operations within the next 12 months, and give a rough estimate of the probable extent of the impact, if possible.

See Above.

49. If the Company sells a product or products and has had significant sales during its last fiscal year, state the existing gross margin (net sales less cost of such sales as presented in accordance with generally accepted accounting principles) as a percentage of sales for the last fiscal year: **90%**. What is the anticipated gross margin for next year of operations? Approximately **90%**. If this is expected to change, explain. Also, if reasonably current gross margin figures are available for the industry, indicate these figures and the source or sources from which they are obtained.

The Company does not expect its gross margins as a percentage of sales for the fiscal year to change materially. Because the Company sells software, much of its costs are fixed costs. As such, the Company does not anticipate its gross margins for the following year to change.

Reasonably current gross margin figures are difficult to predict for our industry. However, below is a list of the fifteen companies with the highest Gross Margins in the technology sector, according to Google Finance, as of July 20, 2012. In no way does this represent the potential for profitability of Sonasoft, but merely illustrates that gross margins for software companies are generally higher than other product lines.

Company name	Symbol	Market cap	P/E ratio	Div yield (%)	52w price change (%)	▼ Gross margin (%)
ARM Holdings plc (ADR)	ARMH	10.62B	52.04	0.69	-21.74	94.43
CA, Inc.	CA	12.31B	13.68	3.77	18.61	86.64
Giant Interactive Group Inc (ADR)	GA	1.06B	7.45	6.67	-36.89	85.98
Digimarc Corp	DMRC	193.70M	20.23	1.59	-28.45	83.87
Simulations Plus, Inc.	SLP	66.08M	25.25	4.78	29.41	82.28
Intuit Inc.	INTU	17.36B	24.58	1.01	24.75	81.98
Ebix Inc	EBIX	773.19M	11.95	0.94	14.29	79.56
Technical Communications Corporation	TCCO	13.90M	7.81	5.33	-9.96	79.29
SouFun Holdings Limited (ADR)	SFUN	1.10B	10.36	14.06	-39.97	79.02
Oracle Corporation	ORCL	148.33B	15.47	0.78	-3.77	78.83
OPNET Technologies, Inc.	OPNT	610.55M	33.48	2.22	-27.12	77.61
Microsoft Corporation	MSFT	254.53B	15.18	2.61	13.32	76.22
National Instruments Corp	NATI	3.36B	41.03	2.01	-2.99	76.15
Linear Technology Corporation	LLTC	7.08B	15.87	3.22	2.76	76.04
Cognex Corporation	CGNX	1.34B	19.07	1.39	-12.82	75.83

50. Foreign sales as a percent of total sales for last fiscal year: **5%**. Domestic government sales as a percent of total domestic sales for last fiscal year: **10%**. Explain the nature of these sales, including any anticipated changes:

The Company expects foreign sales as a percent of total sales to increase in the coming years. Once the Company has its domestic operations well established, pending a successful offering under this offering statement, the Company plans to establish distributors in other areas of the world. We expect foreign sales to reach up to 10% of our total sales in the coming year, pending a successful financing. The Company currently relies heavily upon domestic government sales. In addition to selling our product to local governments, we also sell our software to municipal and state educational institutions. The figures above for domestic government sales incorporate our sales to educational institutions as well. We expect sales to educational institutions to grow slightly in the coming year too. We also expect domestic government sales to fluctuate up or down 10% depending on where we determine to focus our marketing and sales efforts, upon the successful completion of this financing.

PART F/S

The following financial statements of the issuer, or the issuer and its predecessors or any businesses to which the issuer is a successor shall be filed as part of the offering statement and included in the offering circular which is distributed to investors.

Such financial statements shall be prepared in accordance with generally accepted accounting principles (GAAP) in the United States. If the issuer is a Canadian company, a reconciliation to GAAP in the United States shall be filed as part of the financial statements.

Issuers which have audited financial statements because they prepare them for other purposes, shall provide them.

The Commission's Regulation S-X, 17 CFR 210.1 et seq. relating to the form, content of and requirements for financial statements shall not apply to the financial statements required by this part, except that if audited financial statements are filed, the qualifications and reports of an independent auditor shall comply with the requirements of Article 2 of Regulation S-X.

Issuers which are limited partnerships are required to also file the balance sheets of general partners: (1) if such general partner is a corporation, the balance sheet shall be as of the end of its most recently completed fiscal year; receivables from a parent or affiliate of such general partner (including notes receivable, but excluding trade receivables) should be deductions from shareholders equity of the general partner; where a parent or affiliate has committed to increase or maintain the general partner's capital, there shall also be filed the balance sheet of such parent or affiliate as of the end of its most recently completed fiscal year; (2) if such general partner is a partnership, its balance sheet as of the end of its most recently completed fiscal year; (3) if such general partner is a natural person, the net worth of such general partner(s) based on the estimated fair market value of their assets and liabilities, singly or in the aggregate shall be disclosed in the offering circular, and balance sheets of each of the individual general partners supporting such net worth shall be provided as supplemental information.

(1) **Balance Sheet** —as of a date within 90 days prior to filing the offering statement or such longer time, not exceeding 6 months, as the Commission may permit at the written request of the issuer upon a showing of good cause; for filings made after 90 days subsequent to the issuer's most recent fiscal year, the balance sheet shall be dated as of the end of the most recent fiscal year.

(2) **Statements of income, cash flows, and other stockholders equity** — for each of the 2 fiscal years preceding the date of the most recent balance sheet being filed, and for any interim period between the end of the most recent of such fiscal years and the date of the most recent balance sheet being filed, or for the period of the issuer's existence if less than the period above.

Income statements shall be accompanied by a statement that in the opinion of management all adjustments necessary for a fair statement of results for the interim period have been included. If all such adjustments are of a normal recurring nature, a statement to that effect shall be made. If otherwise, there shall be furnished as supplemental information and not as part of the offering statement, a letter describing in detail the nature and amount of any adjustments other than normal recurring adjustments entering into the determination of results shown.

(3) Financial Statements of Businesses Acquired or to be Acquired.

- a. Financial statements for the periods specified in (c) below should be furnished if any of the following conditions exist:
 - i. Consummation of a significant business combination accounted for as a purchase has occurred or is probable (for purposes of this rule, the term "purchase" encompasses the purchase of an interest in a business accounted for by the equity method); or
 - ii. Consummation of a significant business combination to be accounted for as a pooling is probable.
- b. A business combination shall be considered significant if a comparison of the most recent annual financial statements of the business acquired or to be acquired and the registrant's most recent annual consolidated financial statements filed at or prior to the date of acquisition indicates that the business would be a significant subsidiary pursuant to the conditions specified in Rule 405 of Regulation C, 17 CFR 230.405.
- c.
 - i. The financial statements shall be furnished for the periods up to the date of acquisition, for those periods for which the registrant is required to furnish financial statements.
 - ii. These financial statements need not be audited.
 - iii. The separate balance sheet of the acquired business is not required when the registrant's most recent balance sheet filed is for a date after the acquisition was consummated.

- iv. If none of the conditions in the definitions of significant subsidiary in Rule 405 exceeds 40%, income statements of the acquired business for only the most recent fiscal year and interim period need be filed, unless such statements are readily available.
- d. If consummation of more than one transaction has occurred or is probable, the tests of significance shall be made using the aggregate impact of the businesses and the required financial statements may be presented on a combined basis, if appropriate.
- e. This paragraph (3) shall not apply to a business which is totally held by the registrant prior to consummation of the transaction.

(4) Pro Forma Financial Information.

- a. Pro forma information shall be furnished if any of the following conditions exist (for purposes of this rule, the term “purchase” encompasses the purchase of an interest in a business accounted for by the equity method);
 - i. During the most recent fiscal year or subsequent interim period for which a balance sheet of the registrant is required, a significant business combination accounted for as a purchase has occurred;
 - ii. After the date of the registrant’s most recent balance sheet, consummation of a significant business combination to be accounted for by either the purchase method or pooling of interests method of accounting has occurred or is probable.
- b. The provisions of paragraph (3)(b), (d) and (e) apply to this paragraph (4).
- c. Pro forma statements shall ordinarily be in columnar form showing condensed historical statements, pro forma adjustments, and the pro forma results and should include the following:
 - i. If the transaction was consummated during the most recent fiscal year or in the subsequent interim period, pro forma statements of income reflecting the combined operations of the entities for the latest fiscal year and interim period, if any, or
 - ii. If consummation of the transaction has occurred or is probable after the date of the most recent balance sheet, a pro forma balance sheet giving effect to the combination as of the date of the most recent balance sheet required by paragraph (b). For a purchase, pro forma statements of income reflecting the combined operations of the entities for the latest fiscal year and interim period, if any, and for a pooling of interests, pro forma statements of income for all periods for which income statements of the registrant are required.

PART III – Exhibits

<u>Exhibit</u>	<u>Description</u>
<u>No.</u>	
2.1	Articles of Incorporation (1)
2.2	Amendment to Articles of Incorporation, dated July 30, 2012
2.3	Bylaws (1)
2.4	First Amendment to Bylaws dated September 26, 2003 (2)
6.1	Employment Agreement with Andy Khanna (1)
6.2	Employment Agreement with Bilal Ahmed(1)
6.3	Employment Agreement with Neil Khanna (1)
6.4	Addendum to Employment Agreement with Andy Khanna
6.5	Addendum to Employment Agreement with Bilal Ahmed
6.6	Addendum to Employment Agreement with Neil Khanna
6.7	Lease of Executive Office Space
6.8	Distributor Agreement with Avnet (2)
6.9	Distributor Agreement with Wipro(4)
6.10	Agreement with Integra(4)
6.11	Addendum to Agreement with Integra(4)
11.1	Opinion of Anslow & Jaclin, LLP *

- (1) Incorporated by reference to the Company's Registration Statement on Form S-1 (SEC File No. 333-150750).
- (2) Incorporated by reference to the Company's Registration Statement on Amendment No. 5 to Form S-1 (SEC File No. 333-150750).
- (3) Incorporated by reference to the Company's Registration Statement on Amendment No. 1 to Form S-1 (SEC File No. 333-150750).
- (4) Incorporated by reference to the Company's Registration Statement on Amendment No. 2 to Form S-1 (SEC File No. 333-150750).
- * To be filed by amendment

Item 1. Index to Exhibits

- (a) An index to the exhibits filed should be presented immediately following the cover page to Part III.
- (b) Each exhibit should be listed in the exhibit index according to the number assigned to it under Item 2 below.
- (c) The index to exhibits should identify the location of the exhibit under the sequential page numbering system for this Form 1-A.
- (d) Where exhibits are incorporated by reference, the reference shall be made in the index of exhibits.

Item 2. Description of Exhibits

As appropriate, the following documents should be filed as exhibits to the offering statement.

- 1) *Underwriting Agreement* — Each underwriting contract or agreement with a principal underwriter or letter pursuant to which the securities are to be distributed; where the terms have yet to be finalized, proposed formats may be provided.
- 2) *Charter and by-laws* — The charter and by-laws of the issuer or instruments corresponding thereto as presently in effect and any amendments thereto.
- 3) *Instruments defining the rights of security holders* —
 - a. All instruments defining the rights of any holder of the issuer's securities, including but not limited to (i) holders of equity or debt securities being issued; (ii) holders of long-term debt of the issuer, and of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.
 - b. The following instruments need not be filed if the issuer agrees to provide them to the Commission upon request: (i) instruments defining the rights of holders of long-term debt of the issuer and all of its subsidiaries for which consolidated financial statements are required to be filed if such debt is not being issued pursuant to this Regulation A offering and the total amount of such authorized issuance does not exceed 5% of the total assets of the issuer and its subsidiaries on a consolidated basis; (ii) any instrument with respect to a class of securities which is to be retired or redeemed prior to the issuance or upon delivery of the securities being issued pursuant to this Regulation A offering and appropriate steps have been taken to assure such retirement or redemption; and (iii) copies of instruments evidencing scrip certificates or fractions of shares.
- 4) *Subscription agreement* — The form of any subscription agreement to be used in connection with the purchase of securities in this offering.
- 5) *Voting trust agreement* — Any voting trust agreements and amendments thereto.
- 6) *Material contracts*
 - a. Every contract not made in the ordinary course of business which is material to the issuer and is to be performed in whole or in part at or after the filing of the offering statement or was entered into not more than 2 years before such filing. Only contracts need be filed as to which the issuer or subsidiary of the issuer is a party or has succeeded to a party by assumption or assignment or in which the issuer or such subsidiary has a beneficial interest.
 - b. If the contract is such as ordinarily accompanies the kind of business conducted by the issuer and its subsidiaries, it is made in the ordinary course of business and need not be filed unless it falls within one or more of the following categories, in which case it should be filed except where immaterial in amount or significance: (i) any contract to which directors, officers, promoters, voting trustees, security holders named in the offering statement, or underwriters are parties except where the contract merely involves the purchase or sale of current assets having a determinable market price, at such market price; (ii) any contract upon which the issuer's business is substantially dependent, as in the case of continuing contracts to sell the major part of the issuer's products or services or to purchase the major part of the issuer's requirements of goods, services or raw materials or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which the issuer's business depends to a material extent; (iii) any contract calling for the acquisition or sale of any property, plant or equipment for a consideration exceeding 15% of such fixed assets of the issuer on a consolidated basis; or (iv) any material lease under which a part of the property described in the offering statement is held by the issuer.
 - c. Any management contract or any compensatory plan, contract or arrangement including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) shall be deemed material and shall be filed except for the following: (i) ordinary purchase and sales agency agreements; (ii) agreements with managers of stores in a chain organization or similar organization; (iii) contracts providing for labor or salesmen's bonuses or

payments to a class of security holders, as such; (iv) any compensatory plan, contract or arrangement which pursuant to its terms is available to employees generally and which in operation provides for the same method of allocation of benefits between management and non-management participants.

- 7) *Material foreign patents* — Each material foreign patent for an invention not covered by a United States patent. If a substantial part of the securities to be offered or if the proceeds therefrom have been or are to be used for the particular purposes of acquiring, developing or exploiting one or more material foreign patents or patent rights, furnish a list showing the number and a brief identification of each such patent or patent right.
- 8) *Plan of acquisition, reorganization, arrangement, liquidation, or succession* — Any material plan of acquisition, disposition, reorganization, readjustment, succession, liquidation or arrangement and any amendments thereto described in the offering statement. Schedules (or similar attachments) to these exhibits shall not be filed unless such schedules contain information which is material to an investment decision and which is not otherwise disclosed in the agreement or the offering statement. The plan filed shall contain a list briefly identifying the contents of all omitted schedules, together with an agreement to furnish supplementally a copy of any omitted schedule to the Commission upon request.
- 9) *Escrow agreements* — Any escrow agreement or similar arrangement which has been executed in connection with the Regulation A offering.
- 10) (10) *Consents* —
 - a. *Experts*: The written consent of (i) any accountant, engineer, geologist, appraiser or any person whose profession gives authority to a statement made by them and who is named in the offering statement as having prepared or certified any part of the document or is named as having prepared or certified a report or evaluation whether or not for use in connection with the offering statement; (ii) the expert that authored any portion of a report quoted or summarized as such in the offering statement, expressly stating their consent to the use of such quotation or summary; (iii) any persons who are referenced as having reviewed or passed upon any information in the offering statement, and that such information is being included on the basis of their authority or in reliance upon their status as experts.
 - b. *Underwriters*: A written consent and certification in the form which follows signed by each underwriter of the securities proposed to be offered. All underwriters may, with appropriate modifications, sign the same consent and certification or separate consents and certifications may be signed by any underwriter or group of underwriters.

Consent and Certification by Underwriter

1. The undersigned hereby consents to being named as underwriter in an offering statement filed with the Securities and Exchange Commission by [insert name of issuer] pursuant to Regulation A in connection with a proposed offering of [insert title of securities] to the public.
2. The undersigned hereby certifies that it furnished the statements and information set forth in the offering statement with respect to the undersigned, its directors and officers or partners, that such statements and information are accurate, complete and fully responsive to the requirements of Parts I, II and III of the Offering Statement thereto, and do not omit any information required to be stated therein with respect of any such persons, or necessary to make the statements and information therein with respect to any of them not misleading.
3. If Preliminary Offering Circulars are distributed, the undersigned hereby undertakes to keep an accurate and complete record of the name and address of each person furnished a Preliminary Offering Circular and, if such Preliminary Offering Circular is inaccurate or inadequate in any material respect, to furnish a revised Preliminary Offering Circular or a Final Offering Circular to all persons to whom the securities are to be sold at least 48 hours prior to the mailing of any confirmation of sale to such persons, or to send such a circular to such persons under circumstances that it would normally be received by them 48 hours prior to their receipt of confirmation of the sale.

(Underwriter)

By _____

(Underwriter)

Date ____/____/____

By _____

(d) All written consents shall be dated and manually signed.

11. *Opinion re legality* — An opinion of counsel as to the legality of the securities covered by the Offering Statement, indicating whether they will when sold, be legally issued, fully paid and non-assessable, and if debt securities, whether they will be binding obligations of the issuer.
12. *Sales Material* — Any material required to be filed by virtue of Rule 256.
13. *“Test the Water” Material* — Any written document or broadcast script used under the authorization of Rule 254.
14. *Appointment of Agent for Service of Process* — A Canadian issuer shall provide Form F-X.
15. *Additional exhibits* — Any additional exhibits which the issuer may wish to file, which shall be so marked as to indicate clearly the subject matters to which they refer.


SIGNATURES

The issuer has duly caused this offering statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on September 20, 2012.

Issuer: **SONASOFT CORP.**

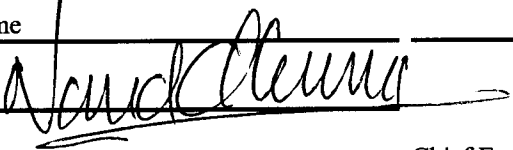

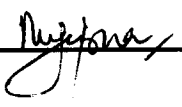

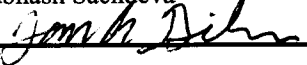
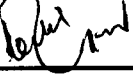

By:  September 20, 2012

Nand (Andy) Khanna
President and Chief Executive
Officer of Sonasoft Corp.

By:  September 20, 2012

Subhash Sachdeva
Interim CFO
Officer of Sonasoft Corp.

This offering statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
		
Nand (Andy) Khanna	Chief Executive Officer, President and Director	September <u>20</u> , 2012
		
Romi Randhawa	Director	September <u>20</u> , 2012
		
Dr. Romesh K. Japra, M.D., F.A.C.C.	Chairman of the Board	September <u>20</u> , 2012
		
Subhash Sachdeva	Interim CFO	September <u>20</u> , 2012
		
Jim Gilmer	Secretary	September <u>20</u> , 2012
		
Bilal Ahmed	Chief Technology Officer & VP of Engineering	September <u>20</u> , 2012
		
Neil Kumar Khanna	VP of Client Services & Operations	September <u>20</u> , 2012